

THE Hongkong Weekly Press

AND

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BIRTHS.

On August 18th at Katrineborg, Sandefjord, Norway, the wife of BJARNE AAGAARD, of a son.
On 15th September, at 52 Peak, to Mr. and Mrs. HAROLD SHALLARD, a son.
On the 16th September at Kowloon, the wife of J. H. KEMP, of a daughter.

MARRIAGE.

At St. Joseph's Church, Hongkong, on the 13th September, KATHLEEN ELSIE LYSAUGHT to ALFRED JOSEPH WALTERS, Chief Engineer s.s. *Charles Hardwin*.

Hongkong Weekly Press.

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ARRIVAL OF MAILS.

The English Mail of the 20th ultimo arrived on the 15th inst.
The Siberian Mail of the 25th ultimo arrived on the 17th inst.
The Siberian Mail of the 21st and 28th ultimo arrived on the 17th inst.
The Canadian Mail arrived on the 18th inst.

FAR EASTERN NEWS.

An engineer artificer of H. M. S. *Britomart* died in hospital at Hankow on the 1st inst. from cholera.
The latest Calcutta paper to hand states that the Lalca Memorial Fund amounts to nearly fourteen thousand rupees.

Messrs. Arnhold, Karberg and Co. are reported in a Hankow paper to have secured the contract for lighting the city of Changsha with electricity.

The N.Y.K. *Iyo Maru* is described by a Straits contemporary as the first merchant ship to enter the port of Singapore with wireless telegraphy.

Mr. Fairbanks, Ex-Vice-President of the United States, accompanied by Mrs. Fairbanks, arrived in Shanghai last week and are staying at the Palace Hotel.

The Acting-Governor General of the Philippines has stated that he takes upon himself the whole responsibility for the deportation of twelve Chinamen last month.

Four Chinese are being charged at Shanghai with wilfully setting fire to a godown belonging to Messrs. Shewan, Tomes and Company, in which goods to the value of Tls. 30,000 were stored.

While on her way up the Huangpu last Friday, H. M. S. *Astrax* ran into and sank a cargo boat laden with bales of silk. The crew of the boat was rescued and most of the silk was recovered, in a damaged condition, from the water.

Dr. Felves, the ship's surgeon on board the steamer *Rajaburi*, died from heart failure while the vessel was going up to Bangkok on August 28th. The deceased was very well known among the shipping fraternity in Hongkong and the Far East.

Singapore papers announce the death of Capt. Heinrich Oehlers, who had been a resident of Singapore close upon fifty years and was well known amongst the older members of the community. Capt. Oehlers was born at Itzehoe, Schleswig-Holstein, in January, 1839, and was therefore 70 years of age at the time of his death.

It is announced in Manila that free transportation from Manila to Hongkong will be given by the C.P.R. agents to passengers travelling across the Pacific by the *Empress* steamers. The Great Northern Steamship Co.'s *Minnesota*, since making Manila a port of call has charged the Hongkong rate of £45 to the Pacific coast of America.

Fines of P. 400 apiece were imposed by the Manila Court last week upon Tan Nga Hui and four other Chinamen for the illegal possession of opium. Tan Nga Hui claimed the responsibility for the ownership of the entire lot, but his claim was not made good. Tan Nga Hui was also sentenced on another charge of smoking opium to a fine of P. 300.

A gloom spread over the community of Shanghai last week on the announcement made that both Mr. Coath, superintendent of the Pacific Commercial Cable Co., and Dr. Goddard, an oculist, both merican citizens, had died on the same day of cholera. The deceased gentlemen were related and had lived in the same house. Earlier in the week Mr. Georg Mirt, a German resident, had died of cholera.

Several residents of Navotas, Philippine Islands, a neighbouring fishing village, awake to the advantages to be reaped thereby, have held a meeting for the purpose of collecting the necessary capital to embark upon a fish canning enterprise. It is proposed to can the Philippine sardine, of which there are a large number of varieties. Steps are to be taken to secure the services of an expert to get the business started.

A Chinese contemporary states that a proposal has been put forward for an increase of duties on wines and tobacco in China.

The following extract is from the *Gazette* of the Merchant Service Guild:—The Guild have addressed themselves, in a very emphatic way, to the Foreign Office regarding the diabolical treatment of Mr. W. G. Lawson, M. S. C., chief officer of the s.s. *Rubi*, who, together with Mr. Mc Cormick, second engineer, was arrested and treated in a most cruel and degrading way by the American Customs authorities at Manila, the charge—for which there was no foundation whatever—being connected with opium smuggling. We trust that good will arise out of the Guild's action in this serious affair.

The Resident Superior recently addressed a telegram to the President of the Haiphong Chamber of Commerce intimating that he had received a petition from native merchants and other influential natives of Hanoi requesting the immediate interdiction of the export of rice and paddy until the next harvest, owing to the increasing price of this staple food, and the Resident Superior asked for the views of the Chamber on the subject. The Chamber, though opposed in principle to the interdiction, acquiesced in the suggestion, having regard to the special conditions resulting from the actual situation in the country, on the understanding that exporters are permitted to export the cargoes they now have in their godowns.

To date, says the *Peking Daily News* of the 4th inst., about 500 students have been registered for the examinations to be held by the Waiwup and the Board of Education for the purpose of selecting students to send to America. Of this number about 150 have registered for technical courses, and 350 for general collegiate courses. The first examination will be held to-day in the new Examination Hall, adjoining the premises of the Board of Education, and will be in Chinese literature. The examination of the second day will be in English composition and literature. Examinations will begin at 7.30 and last till 6 in the afternoon. Students who fail to pass these two preliminary examinations will not be permitted to take part in the examination in mathematics, history, modern languages, physics and chemistry, which will be held from the 9th to the 12th. Only 100 students are to be sent this year to enter various universities in the United States.

The following appointments in the Chinese Imperial Maritimes Customs service have been notified:—Indoor assistants:—N. E. Bryant, E. Laporte, L. H. Lawford; all to Shanghai; Chief Tidesurveyor:—J. L. Lutz, to Amoy. Examiner:—E. Stevens, to Amoy. Transfer: are as follows:—Indoor Assistants:—J. Klublen Peking to Shanghai. J. de W. Jansen Shanghai to Swatow. M. Kitadai Dairen to Amoy. J. Deveira Shanghai to Hangchow. W. O. Law Shanghai to Wuchow. A. C. Biesterfel Hangchow to Shanghai. H. D. Hilliard Hankow to Swatow. H. Darby-Tyndall Swatow to Foochow. E. E. Moran Peking to Foochow. E. H. Campbell Foochow to Shanghai. R. S. Hunter London to Peking. Outdoor Assistant Examiners:—J. J. Gormann Yochow to Shanghai. J. Wolff Harbin to Shanghai. F. W. J. Schaaf Newchwang to Harbin. O. R. J. Konig Shanghai to Yochow. F. W. H. C. C. Biester, Assistant at Wuchow, and J. Bromley, Chief Examiner, Tientsin, have been granted leave.

THE PROPOSED DUTY ON LIQUOR.

(Daily Press, September 13th.)

When explaining the Bill "to provide for the collection of duties upon Intoxicating Liquors" which was introduced in the Legislative Council last Friday His EXCELLENCY the Governor said it was a sincere attempt to give effect to the wishes of the community as they are represented by the unofficial members of the community. In that the Bill, we fear, fails, and we are not surprised that two unofficial members of the Council took the earliest opportunity of letting it be known that the proposals of the Government do not meet with their approval, inasmuch as they go much beyond what they had contemplated when they recommended the imposition of a duty on all Foreign and Chinese liquors imported and consumed in the Colony. The Bill, providing as it does for the institution of a Customs service, drives the wedge well into the traditional freedom of the port. As we remarked when the recommendations of the Unofficial Members were published, they were absolutely silent as to the means of collecting the import duty recommended. It is clear from the brief remarks made at the Council meeting by the Hon. Mr. STEWART that the unofficial members did not share the view that the taxation of all alcoholic liquors consumed in the Colony involved the institution of a Customs service, from which this port, to its undoubted advantage, has heretofore been free. H. E. the GOVERNOR explained that he had considered certain alternative suggestions—including one outlined by a correspondent in our columns, by which it was required that liquor should be sold only in vessel-bearing a revenue label which would have to be broken in order to extract the liquor. Certain objections to this scheme appeared on investigation, and it was shelved. There was, however, another scheme outlined in the "Daily Press" of the same date, whereby whatever tax was imposed here could be collected at the port of export. It did not appear from the GOVERNOR's speech that this scheme also had been considered. The more this scheme is examined the more practical it appears, so far as the collection of duties is concerned, but the weak point about it, we conceive, is that there is little possibility of the money being remitted with the necessary promptitude when it has to be sent by Consuls in various ports of the world to the Imperial Government, and by the latter to the Hongkong Treasury. The community will continue to hope that the Government even yet may find a way to get the revenue they want from alcoholic liquors without making so important a change in the character of the port as the institution of a Customs service implies. We note the promise that it will be the smallest possible preventive service, that the powers of search will be the minimum necessary, and that the stringency with which the search is prosecuted will entirely depend upon the co-operation of the firms in the Colony with the Government in preventing smuggling, if they cannot do it alone. At the same time the fact must not be overlooked that the duties are so high as to make the smuggling of spirits a by no means unprofitable occupation for the class of trader with an inclination to smuggle, for a duty of \$6.40 per case on whisky, plus the charges incurred by storage in the King's warehouse and the other small charges incidental to obtaining delivery therefrom, adds roughly 50 per cent. to the cost, while in the case of gin it more than doubles the

present cost to the consumer. True, many obstacles to smuggling are imposed by the Bill. Ships are required to declare their imports of intoxicating liquors. A ship's manifest, His EXCELLENCY said, shows all liquor on board, and there is already a legal remedy against anyone who imports liquors disguised as any other wares. But what is there against liquors being manifested as "provisions," so long as the freight for liquors has been paid? And what about import by junk? It is worth pointing out in this connection that the import duty on wines and spirits into China ranges from 9 candareens per imperial gallon (on rum and gin) to only 3½ mace per case on whisky and 5 mace on brandy; so that, unless we have a fairly large preventive service, a surreptitious import trade in wines and spirits from Canton and other coast ports is likely to develop.

We can quite understand the Government's reasons for wishing to rush this Bill through the Council, but, at the same time, having regard to the important bearing the Ordinance would have on the whole shipping business of the port, the government ought to afford the community a reasonable time to consider the manifold possibilities of interferences with trade which it is feared may arise under the provisions of the Bill.

One more observation may be made. The community would have been glad of an explanation of the need for imposing a rate of duty which the Hon. Mr. HEWITT calculates will yield a million dollars net per annum. By the new schedule of license fees, which has now been abandoned, the Government expected to get an addition of only two and a half lakhs of dollars. Can one million dollars really be needed in addition to the increased yield anticipated from the new stamp duties, and the "substantial contribution" towards the loss of revenue from opium which the Colony is expecting to receive from the Imperial Government,—to say nothing of the savings which have been effected in expenditure owing to the labours of the Retrenchment Committee? On this point, as well as on the larger aspects of the measure it is desirable that the community should be fully consulted. As the Government hopes to pass the measure next Thursday there is no time to be lost by the unofficial members in ascertaining the opinions of the community on the measure with a view to securing such alternations in the Bill as are deemed necessary or desirable.

FINANCIAL REFORM IN CHINA.

(Daily Press, September 14th.)

We have not, as yet, at all events, seen cause to alter our expressed conviction that the government of the Regency is sincerely desirous of introducing a thorough reform of the fiscal system of China; it, however, at the beginning, seems to have entirely underestimated the power of the reactionary forces, which its well-meant efforts to clear the den of corruptions have brought into prominence once more. The difficulty is the same in kind, though fortunately not in degree, as in September, 1898, followed on the expulsion from the Palace of the arch-traitor LI HUNG CHANG; when the discredited EMPRESS DOWAGER TSE HI, furious at the attempts of her recently emancipated protégé to act on his own initiative, consigned him to an ignominious imprisonment, which lasted through the remainder of his unhappy life, and only ended with his mysterious death the day before that of his implacable persecutrix. Foremost in the list of the financial blunders which are keeping China still at the tail-end of the race, is,

of course, *likin*, and now and then from Peking we hear the far-off thunder of the contest.

The Government of the Regency is by no means so blind to the ill-effects of the system at large, and more especially to its hampering results, so far as the Imperial prerogative is concerned, as many, or indeed most of our would-be authorities on Chinese affairs would have us believe. That Government is, however, reminded daily of the enormous difficulty of the task that any attempted interference would entail. One of the worst features of the case is that no one, even of those most intimately associated with the collection, has the slightest knowledge either of the amount collected, nor of the cost of collection. The Provincial authorities are in this little better off than Peking; the collectors hold no official rank, and have no place in the official hierarchy, and are subjected to no official control, the whole system being one of contract and sub-contract, down to the lowest coolie on the look-out for passing boats, or told off to watch the cultivator bringing in on his back to the nearest village the produce of his small patch of garden ground. No provincial official however, will interfere with the *likin* collectors; to do so, he finds, would be to quarrel with his own bread and butter, for although he gets nothing directly, it is the *likin* that pays for the gunboats and crews in the next creek, and they constitute as a rule the only guard and protection that he has in case of need. The gunboats, though under the orders of the Magistrate, know well that it is useless to look to him for payment of their wages, so are devoted to the *likin*. Then in each province the *likin* collectors and their satellites, all living on the vitals of the land, number their thousands, often their tens of thousands, all of whom are bound by the strongest bonds of common interest to support one another. There is thus in every province in China an *imperium in imperio*, whose interests are distinct from, and generally opposite to, those of the government, be it metropolitan or provincial. This *imperium* for the most part is master of the only armed police force in the district, and is accustomed to use it when there is any disposition shown on the part of the traders of the district to grumble at the amount of the fees extracted. Moreover, there is no settled tariff. The holder of each collecting post has had to pay before appointment a heavy sum down, and has to recoup himself as best he can for his own expenses, and the expenses of all those who consider themselves entitled to live off him, which with the peculiar family ideas of the Chinese in such cases is no light matter, as each ne'er-do-well of the family, however remotely connected, conceives himself of right entitled to support. Unfortunately Chinese public opinion here is always on the side of the u-e-l-e-s hanger-on.

How wasteful such a system may become, we have an instance in the taking over of certain native Customs stations by the Imperial Maritime Customs in 1901. A small establishment at Santuao in Fukien, a petty trading place whose principal market town was the city of Funing-fu, employed a staff of little short of 600 individuals, and returned as its collection 9,000 taels per annum, besides, as a *solatium*, the holder paid an insignificant sum of 2,000 more taels to certain provincial officials. Without raising the charges in any way, and simply by keeping proper accounts, and reducing the staff to sixty, afterwards found more than sufficient for the work, at the end of the first year, a sum of Taels 61,262, was actually remitted. True, this was not the *likin* but the Native Customs; it is, however, well-

known that the administration of the Native Customs was purity itself compared with that of the *likin*, where the only recognised tariff was the amount the individual holder found it possible to screw out of his own particular line of country.

In the year 1903, the Home Government, actuated with a desire to do something in China, sent out SIR JAMES MACKAY, a gentleman well-known in Indian financial circles, to ascertain what was the position in China, more especially with regard to *likin*, which was described by the Chambers of Commerce in China as the worst of all the mercantile grievances with which they had to contend. Full of self-imagined importance SIR JAMES MACKAY came out to China, and met the usual fate of all such enquirers. He was, in fact, to shorten the matter, fooled to the top of his bent. Warned in time, of the necessary consequence of the methods that he was adopting, the only result of his visit was to rivet the chains of *likin* still tighter, and to accede to still more reactionary impediments being placed in the way of local industries than had previously existed. It was a repetition of the old days of SIR JOHN DAVIS, of CAPTAIN ELLIOT, and LORD ELGIN. SIR JAMES MACKAY, like the prophet of old, had come in the pride of his heart to effect the destruction of *likin*, and all other financial iniquities, but not knowing his business nor his men, he was turned about by SIR ROBERT HART, who under instructions from his, the Chinese, Government of the day, had other and very different purposes in view. SIR ROBERT succeeded in getting new sources of revenue placed under his control, which forthwith were taken possession of by the Imperial Lady at Peking, but of *likin* only vague promises of the genuine old Chinese type, which might mean anything—or nothing, principally the latter—were extracted. The charges were, on the contrary, very real, and have ever since seriously handicapped the industries of China.

When the Regency came into power at the beginning of the year, and the new Regent made an open profession of following in the steps of his brother, there were those, who ought to have understood better, who looked forward to the instantaneous regeneration of China. But a Regent in China is not an Emperor, even though individually a strong, and what is not always its accompaniment, an intellectual man. This *likin* especially he saw was a serious impediment in the path of the Government; under the feeble administration of the debauched HIEN FENG, it had as we have seen, grown up into an *imperium in imperio*, and, instead of being a tool in the hands of the Government, really was prepared to take charge itself. The one fortunate thing about the affair is that for once there has been unanimity reigning amongst the Foreign Powers, each and all of whom has had some grievance therewith connected requiring redress. Recently the Waiwupu has been taking the affair up, but what it says is an indication of the difficulties in the way. "All the Foreign Powers," it says, "have refused to consent to the increase of Customs duty and the abolition of *likin* until there is a uniform system of weights and measures, and a uniform code of laws for the registration of trade marks throughout China." This, though practically true, is, of course, a Chinese *facon de parler*. The uniform system of weights and measures is, the Government knows, a very important thing; but it is not what is really impelling it onwards. It may be well enough disposed to side with the outcry for the "Restoration of Sovereign Rights," but it

has been too wise to be led away by such claptrap. Its real aim is to recover its power of control over the provinces; and here the *likin* system, as at present constituted, and acting independently of both Provincial and Metropolitan Governments is the great obstacle. Plainly, Peking and the Provinces both see that it is too powerful to be attacked in front, and that the only methods holding out a reasonable promise of success is a regular siege. Time was, and not so long ago, that the greatest opponents to any measure of the sort would have been the Provincial governments; but with the gradual enlightenment of the country, and the real desire on both sides to have the duties of Central and Provincial administrations defined under some constitutional system, this old sore of the necessary opposition of the Capital and the Provinces, has practically ceased to exist. This gradual rapprochement of the two is probably the best assurance we can have of the stability of the Regency, and the progress of reform in the financial system, which is one of the chief measures it has in hand.

LESSONS FOR CHINA FROM CANADA.

(Daily Press, September 16th.)

No country in the world has throughout her career been more consistently careful to preserve intact her prerogative than Canada, and this is a fact of which China has had personal experiences. When Canada first commenced to legislate regarding her growing Chinese population, China, she may remember, made complaint to England, with the satisfaction that she was told in so many words that England did not interfere with the internal arrangements of Canada; as a fact, she had at one time attempted to coerce Canada into opening her ports indiscriminately, but Canada pointed out that this formed no part of her agreement, and she would continue to act on her own discretion. It may, therefore, be a matter of a little interest to China to learn how Canada has recently been acting when a syndicate of outlanders proposed to her to make an important line of railway right through her territory. The line is, too, of some interest to China, as it forms part of a scheme for shortening the journey from the eastern ports of China to Europe, and so is intended to be a direct competitor with the Russian Siberian route—with the advantage that it is intended to carry goods as well as mails and passengers—and this is intended to be brought about by shortening the land journey across Canada to some 1,800 miles, or less, while at the same time reducing very considerably the sea journey across both oceans—the Pacific and Atlantic.

The idea of the line is, of course, old, but up to the present has existed only in the imagination of a few enthusiasts. In fact it is only within the last year that affairs in other directions had advanced so far that the line came into the category of possible eventualities. Those have been brought about by the practical opening of the magnificent port of Prince Rupert on the Pacific, and the undertaking by the Grand Trunk Railway of Canada of a trans-Continental Pacific-Atlantic line all the way from New Brunswick to the borders of Alaska, and all through Canadian territory. But, though arising out of the new undertaking of the Grand Trunk Pacific, the new line will be entirely independent except for its connections in British Columbia, and will have its own independent port with access to the Atlantic, across which it

proposes to run its own steamers. This, in fact, is the main feature of the scheme, and upon its practicability or the contrary the whole turns. The new extension of the Grand Trunk system may be said to be entirely a government undertaking. As the great system of the Canadian Pacific, which has contributed so powerfully to the making of Canada as a great nation, was entirely the scheme of Canada's earlier Prime Minister, Sir JOHN MACDONALD; so is the present the outcome of the fertile brain of Sir WILFRED LAURIER, the present. The discovery of the enormous wealth of the hitherto practically unknown western lands on the eastern slopes of the Rockies was one of the first results of the opening of the Canadian Pacific; as these commenced to be opened up, the fertile belt was found to extend far more to the north than the most sanguine had ever dared to hope; Sir WILFRED LAURIER, with this additional information at his disposal, as well as having now trustworthy assurance that the northern passes of the Rockies about the Peace River were lower and less subject to interruption than the line adopted by the Canadian Pacific, saw that the time had arrived to launch his new scheme. Doubtless he was actuated in this largely by a desire to emulate his predecessor, but this was no unworthy motive, and so far as it has gone, all the preliminary arrangements go far to ensure the ultimate success of the project, not merely as a speculation, but as, like its predecessor, contributing largely to the enrichment of the country at large. This tract of country north of Winnipeg it is through which the intended line is to pass, and the advantage which the line offers to it is placing it in immediate communication by sea with the great consuming markets of the East, instead of having, as at present, to undergo a long and expensive journey across the continent, part by railway, and part by lake steamboats.

To accomplish this it is the object of the syndicate to establish a line of steamers from Europe to Port Churchill on the western coast of Hudson's Bay in N. Latitude 57½°. On the Canadian side Port Churchill is to be made the terminus of a new system of railways to communicate with Edmonton, Winnipeg, and across the Rockies with the principal centres, and eventually, by means of the new Grand Trunk, with Prince Rupert. The line will thus have its communications with both Oceans, and it is intended that it shall form the shortest and cheapest outlet to Europe for the great grain crops of Manitoba and the North-west, and on the other shall form the shortest and quickest link between Europe, North China, Manchuria and Japan. The scheme is a great one, though, of course, it has the great drawback that Hudson's Bay is only open to navigation for at the very most half the year, and even while it is nominally open the navigation is at all times dangerous, owing to the quantities of floating ice to be passed through in entering by way of Hudson's Straits in N. latitude 62°.

The scheme, though, if found practicable it will be of great importance in the commercial history of the world, is not one that recommends itself to the ordinary investor, and has not been taken up in Canada, which, as yet, is not in a financial position to warrant the expenditure of great sums in an enterprise which certainly does not hold out any hope of immediate return, and which, if in the end likely to be profitable, must be content to wait for years before earning any reasonable dividend. It need not, therefore, be a matter of surprise that the syndicate which has brought the

scheme forward is entirely outside Canada, and the individuals interesting themselves in it are partly English but largely capitalists from New York. It is this aspect of the affair that may well afford a useful lesson to China. Up to this all Canada's great works have been engineered by Canada herself, but the present is quite outside, and it would be well for China to notice how it has been received. When under very similar conditions certain outside syndicates offered to construct for China, without in any measure hampering her, and with full acknowledgement of her "sovereign rights," railways, over which she was, too, to have the right of purchase, China, it may be remembered, turned up her nose indignantly. As a compliment, she was willing to accept the money unconditionally, but she was not going to make any terms, her "sovereign rights" were too precious things to be bartered. Well, as we all know, she got the money, and the first thing that she did was to appoint directors, and the directors called a family council, and appointed all their relations to the twelfth degree to office, and when the money was asked for to build the railway, it had mysteriously disappeared, and no one was found who could explain where it had gone. In the end, true, the railway was opened in a kind of way, but the sleepers were of Japan soft wood, the rails were second-hand, having been rejected elsewhere, two or three old contractor's engines had been picked up "cheap," and were recommended as a great bargain, and as for the rolling stock, there was just sufficient to marshall one train of passenger cars—and that of the poorest and commonest description. It is instructive to note also this how very different has been the reception given by Canada to the similar proposition. In the first place, no question of Canada's sovereign rights was raised, though the money largely is to come from New York—Canada's keenest competitor: Canada being quite able to take care of her own prerogatives; in the next place, no expression of contemptuous indignation met the proposal; Canada accepted a business proposition in a business-like manner, and her only question was whether the project was worth consideration from a financial point of view. As yet the affair is but in the embryo stage; but it is evident that if once the doubtful question of the feasibility of the navigation of Hudson's Bay were decided in the affirmative the new route would rapidly become a favourite, to the great advantage of Canada, and it is easily seen that China herself would share in the benefit. With regard to China, no one, in fact, stands to lose by her foolish holding on to her strange ideas of her sovereign rights being in danger so much as China herself. The cry has been got up for selfish motives entirely by her old reactionary party, who would gladly see the state of affairs that brought on the great Taiping rebellion restored, in order that they might fall in for some fat office where they could pick and steal to their heart's content without any checking hand to restrain them. The true offender in their eyes is not the foreigner with him they would be quite content to share the plunder—but a reforming Government that seeks to control the speculations of an unprincipled officialdom.

It is announced that negotiations for the fusion of the Russo-Chinese Bank and the Siberian Commercial Bank are practically complete. The two great concerns have hitherto operated in rivalry, and the arrangement will mean not only economies in working but a great extension of business, chiefly in China.

THE IMPORT TAX ON LIQUOR.

(Daily Press, September 17.)

The Legislative Council yesterday passed the second reading of the Bill entitled "An Ordinance to provide for the collection of a Revenue of Excise upon Intoxicating Liquors." That is to say, the Council—the Unofficial Members included—approved the principle of the Bill, which the Government during the past week has shorn of some of its objectionable features. A new and more reasonable schedule of charges was pressed upon the Government yesterday and accepted, the remaining clauses of the Bill being reserved for discussion to-day. By "the principle of the Bill" is meant not only the imposition of duties on all alcoholic liquors imported for consumption into the Colony, but also the establishment of a Customs service to secure effective collection of the revenue therefrom. The news that the Council has unanimously accepted this principle, has sanctioned this startling and dangerous innovation, will, we are sure, be widely read with the deepest regret. If this were a self-governing Colony, we are confident that the principle of imposing taxes involving the innovation of a Customs service, however small, would have been overwhelmingly defeated by the popular vote. While, as we have said before, the community is pretty unanimously agreed, if alcoholic liquor is to be taxed for revenue purposes, that the burden should be imposed on all liquor consumed in the Colony, and not merely on that comparatively small proportion consumed in licensed premises, there is little public support for the view that the setting up of the machinery of a Customs station is a necessary corollary. The community have protested against the measure on two grounds: firstly, because this most unwelcome invasion of the freedom of the port, and secondly, because the duty to be imposed on spirituous liquors is unnecessarily burdensome. In Committee, as we have said, a revised and more acceptable scale of duties was accepted by the Government, but His EXCELLENCY does not admit that a tax imposed for revenue purposes is opposed to free trade. When explaining the measure in the Council last week His EXCELLENCY declared that no member of the Council was more jealously anxious to safeguard Hongkong as a free port than he was himself. Need of revenue is, of course, the original plea for most tariffs, and the wedge, once inserted, is easily driven. What is objected to is not the revenue demanded but the restrictive measures on trade the collection of an import duty necessarily entails. There are few people who share His EXCELLENCY's view that only a very small Customs staff will be necessary to prevent systematic smuggling. So far as consignments for European firms are concerned, the Government, in order to secure due observance of the Ordinance, can, no doubt, confidently rely on the co-operation of the big firms in the Colony and on the heavy penalties to which offenders would render themselves liable; but when we think of the thousands of Chinese who come into the Colony daily from Canton and Macao, most of them with bags and baggage of some kind, when we realise that there will be a difference of something like 30 or 40 per cent. in the price of whisky between Canton and Hongkong prices,—even on the revised scale—is not the smuggling of spirituous liquors from these other places on the China coast likely to tax the vigilance of a very much larger preventive staff than that which the Government appears

to have in view? We fear the prospect of Chinese smuggling foreign liquors into the Colony from China ports was not sufficiently considered before the Bill was introduced. His EXCELLENCY stated that he had been informed that already the Chinese community consume as much, if not more, foreign liquor than the Europeans, and it is not improbable that the restrictions now placed on opium may tend to an increase in the consumption of liquor by the Chinese. All this goes to show that the cost of making an effective collection of this revenue is likely to require not an insignificant Customs staff but one of considerable numbers. The Hon. Mr. MURRAY STEWART confessed that he proposals in the Bill staggered him when he first read them. They have staggered many other men in the community who had never dreamt that Hongkong would come to such a pass. The die, however, is cast, and the glorious freedom of the port of Hongkong, we fear, is for ever gone. Regarding as they do the imposition of an import duty as a necessary evil, appreciating as they do all the manifold dangerous potentialities of the "minimum possible Customs service," the duty now rests upon the members of the Council to so amend the Bill as to guard against the evils so clearly indicated in the speeches of the Hon. Mr. HEWITT and the Hon. Mr. STEWART. The latter expressed the opinion that the character of the port need suffer no noticeable change if it is administered in the spirit of His EXCELLENCY's assurances, but the unofficial members will need no reminder of the fact that Sir FREDERICK LUGARD may not be with us for many years more, and the assurances His EXCELLENCY has given should, as far as possible, be made binding on his successors by being expressed in the terms of the Ordinance.

RANDOM REFLECTIONS.

Our great poet has told us, and we have accepted it, that in the Spring the young man's fancy lightly turns to thoughts of love. Not so in the East. That inspiration—or craze—does not seize him until the Autumn, and this month should hear the sound of wedding bells not once nor twice, but many times. In calculating the monthly expenditure one has now to reckon on wedding presents. Good wishes must have a tangible accompaniment.

We are brought into touch with the aerial triumphs achieved at home by a European firm advertising in the East "Blériot aeroplanes for sale." The price is not one within the reach of all, but some sports may like to experiment even at this stage with the machine about which the following limerick has been perpetrated:

There was a young fellow named Blériot,
Who went on a journey so hairy oh,
He nimbly flew over
From Calais to Dover,
And so he escaped Mal de Mary oh!

Now that aerial navigation has received such a tremendous impetus it might not be out of place to quote the rules for passengers in airships which have been drawn up by an ingenious German. They are:

1. Do not fear accidents; the airship is safe enough and cannot, like a train, run off the rails.
2. Keep calm; do not fidget or throw your arms and legs about in your excitement.
3. Do not smoke.
4. Do not light matches.
5. Do not make a nuisance of yourself by making commonplace remarks about the advance of modern science. Everybody knows it is advancing.
6. Be sensible about your equipment.
7. Do not take useless baggage; the necessary things are heavy enough.
8. Wear sensible garments. It is cold high up in the air.

9. Do not grumble because there is no dining car on the airship.

10. Do not despise ordinary land travellers. It was not you who invented airships.

The price of the Blériot aeroplanes as advertised in a Bangkok newspaper is 7,000 ticals. A griffin wanted to know what a tical was, and when it was explained to him, he demanded to know the difference between a Siamese tickle and an English one. The problem is one that might have been presented to Harry Lauder, whose comments on tickling are well known in the Colony, but in his absence the explanation was offered that no one could stand seven thousand English tickles. Neither, to my mind, could any one withstand seven thousand Siamese ticals.

Woe is me. My favourite drink is to be taxed, and I will either have to risk bankruptcy or become teetotal and wear a blue ribbon in my buttonhole. I am not the only one who sings this doleful lay, because there are others who, despite the optimism of His Excellency, do not view with composure having to pay increased prices for the liquors which have become so essential to tables out here. Have we no heroes to come forth and declare our resolutions in similar language to the home writer who has modelled the following composition on "Scots wha hae"?

SCOTS WHA DAE A DRAPPIE LO'E.

(Tune—"Scots Wha Hae.")

Scots wha dae a drappie lo'e,

Scots wha aften hae got fou,

See the price o' whisky noo,

And drap a bitter tear.

Nae mair, I doot, we'll get a spree,

Nae mair we'll laugh and sing wi' glee;

Nae mair the guid auld barley bree

Oor weary hearts will cheer.

Noo's the day, and noo's the oor,

Fecht against Lloyd George's poo'er;

Gi'e the Budget its death cloor—

It's a' for liberty.

Arise, ye sons o' Scotland's isle,

Arise, ye hardy men o' toil;

Arise, an' fecht in proper style,

And gain the victory!

This price is far ower big tae pay,

Sic nonsense we're nae gaun tae hae;

Tae want oor dram wid never dae,

And that ye a' ken fine.

Then join wi' me, ye Scotchmen true,

And fecht for Scotland's mountain dew!

We'll pay nae mair for it jist noo

Than what we did lang syne.

(Banchory.

W. S.

I have referred to the subject before, but at the risk of being charged with reiteration I must suggest that the time is opportune for considering the possibility of drawing revenue from other sources than wines and spirits. Why should the innocuous ginger beer, the saccharine lemonade, the sparkling orange champagne, and all the rest of the drinks which form the tippie of the teetotal section go untaxed? These drinks are just as much a luxury to the teetotalers as the wines and spirits to the non-teetotalers, and why duties should be imposed on the latter and none on the former seems hardly quite fair. Moreover, the people who imbibe those so-called soft drinks have a sneaking conviction that they are more moral than the others who don't mind having a whisky or even a glass of champagne, and if that be so they should not be averse to paying their share of the expenses of the Colony. Who is going to see justice done?

The public, it seems, were very near missing all the excitement which the proceedings of the Legislative Council on Friday have occasioned. The meeting of the Council was called for 2.30, and the scribes were in attendance, but a luncheon was in progress at Government House in honour of Prince Hsun. When one solid hour had passed without any sign of the Council assembling in the Council Chamber it recalled to recollection that Sir Robert Hart not long ago spoke of a Chinese official dinner sometimes lasting twenty-four hours, and the scribes began to wonder whether they should not, there and then, in the absence of a quorum of councillors declare the meeting adjourned *sine die*, and proceed to other duties

demanding their attention on that day. No message came from Government House to save the situation, but, as Fate would have it, just as the reporters were on the point of concluding that the Council would not sit that day, in the procession walked at twenty-minutes to four, and business proceeded as if nothing had happened. As I say it was a timely arrival which happily prevented the sweet eloquence being wasted on the desert air.

One of the events of the week has been the Chinese naval visit. Two cruisers, one gunboat and a training ship flying the yellow dragon represented the nucleus of that Chinese Navy which optimists believe will be formed one day, but though the sight may have been impressive to the native Chinese it could only have impressed the Westerners with the fact that China has a long road to travel yet before she possesses a navy commensurate with her needs.

One of our delusions has been shattered. We thought—and the thought occasionally has found pictorial expression—that when the North Pole was discovered a Scotsman would be found sitting on it hugging a bottle of whisky. Now it seems that when the Pole is discovered we shall find two Yanks squabbling as to who "got there" first.

The drought is ended. Many anxious thoughts were given to gardens and tennis courts as the days passed without any rain, but now the tension is relieved and gardens and courts are beginning to look fresh and green again. Still we are not out of the wood so far as our water supply is concerned, and a much greater rainfall is necessary before our reservoirs show the level which we like to see to carry us through the dry winter months.

HODERICK RANDOM.

HONGKONG.

It is stated that Mr. Ho Kom Tong has resigned his position as member of the Sanitary Board on account of pressure of business.

The electric light installation at the Naval Yard was formally inaugurated on Monday, Mrs. Lyon, wife of the Commodore, performed the ceremony of switching on the light.

The British cruiser *Kent* returned from Weihaiwei on Sunday with five men who were injured in the boiler disaster which occurred on the *Otter* last month.

A surplised choir is being formed for St. Andrew's Church, Kowloon. The new incumbent, the Rev. H. O. Spink, is to be instituted by Bishop Lander on Sunday morning, the 26th instant.

Inspector Dymond prosecuted a native woman from Aberdeen before Mr. Hazeland at the Magistracy on Tuesday for selling samshu without a licence. His Worship imposed a fine of \$25, the alternative being one month's imprisonment.

It is very satisfactory to learn that the weekly plague return is discontinued until further cases of plague occur. Last week there was a clean sheet. The total number of cases for the year was 134, of which 121 were fatal. "Nil" was also written across the return for communicable diseases for the same period.

The remains of Mr. Carl Koch were interred at Happy Valley on Monday when a large number of mourners assembled to pay their last tribute of respect to one who was held in high esteem. At the monument the funeral procession was met by a representative body, which included Messrs. S. Swart, G. Engel, A. Koehn, H. Brodersen, E. Heuser, C. G. Gok, J. C. K. Kitzmantel, J. Bitzen. There were many floral tributes.

An armed robbery was reported to the police on Tuesday as having occurred at the village of Cheungunha, near Sheungshui, on the border of the New Territory. Five men, two of whom were armed with revolvers, held up the inmates of a number of houses and departed with a large quantity of clothing and five head of cattle. The police in the blockhouse at Akuling have the matter in hand, but it is thought that the robbers have passed over into Chinese territory.

At the Magistracy before Mr. J. R. Wood a native was charged with breaking into a military canteen near the Bowen Road Hospital and stealing \$37 and a box of cigarettes valued at \$2. Defendant admitted the charge and was sentenced to three months' imprisonment and six hours' stocks.

The case concluded before Mr. J. R. Wood at the Magistracy on Tuesday in which the master of a cargo boat and his wife were charged with being in unlawful possession of 28 taels of opium. His Worship fined the man \$400, with an alternative of three months' imprisonment, and the woman \$100, in default six weeks' imprisonment.

Refreshing teas, cooling ices and thirst-quenching drinks will be dispensed in the new Café which opens on Sunday in the old premises formerly occupied by the Weismann Company. The new claimants for public patronage are the Vienna Café Company, Ltd., who announce that the bakery and Café will be under European management.

A cook who was formerly in the employ of Li Ping, contractor, but who was discharged last month, was charged before Mr. J. R. Wood at the Magistracy on Thursday with obtaining goods by false pretences. The defendant took complainant's compradore book to the market and obtained goods to the value of \$5. His Worship found the accused guilty, and sentenced him to six weeks' imprisonment with hard labour.

The Third Squadron of the American Pacific Fleet, which returned to Hongkong on Wednesday from a tour in the north, comprises four cruisers. The *Charleston*, which is by far the largest, carries the flag of Rear-Admiral Giles B. Harber. Her tonnage is 9,900. The *Cleveland*, *Denver* and *Galveston* belong to the Cleveland class, their tonnage ranging from 3,213 to 3,400. The squadron arrived in Hongkong on March 12th last and remained for a fortnight. On their present visit they will stay in the Colony for five or six days.

Two natives who were arrested on the premises of the International Bank and charged before Mr. F. A. Hazeland at the Magistracy on Wednesday with being rogues and vagabonds were defended by Mr. Otto Kong Sing. One of the defendants was in possession of \$80 when arrested, and the other was discovered to be wearing a false queue. The latter told Mr. Hazeland that he had embraced the Christian faith, but wore the queue while doing business on the waterfront. His wife, in giving evidence, stated that her husband wore a queue because he was suffering from a disease of the head. Both defendants were discharged.

A pretty wedding took place on Monday at St. Joseph's Church, Garden Road, the contracting parties being Miss Elsie Kathleen, daughter of Mr. William Lysaught, and Mr. Alfred Joseph Walters, chief engineer on the s.s. *Charles Hardouin*. The bride, who was given away by Mr. A. F. Ramsey, (brother-in-law), wore a charming white silk eoline princess gown trimmed with exquisite hand embroidery. Her bridesmaids were Miss Pereira and Miss E. Wood, while the bridegroom was supported by Mr. A. Lindberg and Mr. C. H. Wood. The ceremony, which was a quiet one, was conducted by the Rev. Father Augustine. Many friends and well-wishers of the happy couple were present, and afterwards went on board the yacht *Marion*, where Mr. and Mrs. Ramsey were at home. The honeymoon is to be spent at Wuchow.

ALLEGED MURDER.

FAMILY QUARREL IN NEW TERRITORY.

Before Mr. J. R. Wood at the Magistracy on Thursday a native was indicted on the charge of murdering his brother's wife. The brother, who is a shroff in the Land Court here, was absent when the quarrel took place. It appears that a long-standing family dispute over certain land in the village mentioned was brought to a climax on the 13th instant, when accused was alleged to have stabbed deceased in the buttock with a knife, and she subsequently succumbed to her injury. His Worship adjourned the hearing for a week.

HONGKONG LEGISLATIVE COUNCIL.

A meeting of the Hongkong Legislative Council was held on the 16 inst. in the Council Chamber.

The following were present:—

HIS EXCELLENCY THE GOVERNOR, SIR FREDERICK JOHN DEALTRY LUGARD, K.C.M.G., C.B., D.S.O.

HIS EXCELLENCY COLONEL C. H. DARLING (General Officer Commanding).

Hon. Mr. A. M. THOMSON (Colonial Secretary).

Hon. Sir H. S. BERKELEY, K.C. (Attorney-General).

Hon. Mr. C. M. I. MESSER (Colonial Treasurer).

Hon. Mr. P. N. H. JONES (Director of Public Works).

Hon. Mr. A. W. BREWIN (Registrar-General).

Hon. Mr. F. J. BADELEY (Capt. Superintendent of Police).

Hon. Dr. Ho Kai, M.B., C.M.G.

Hon. Mr. W. J. GRESSON.

Hon. Mr. E. OSBORNE.

Hon. Mr. E. A. HEWETT.

Hon. Mr. MURRAY STEWART.

Hon. Mr. WEI YUK, C.M.G.

Mr. C. CLEMENTI (Clerk of Councils).

MINUTES.

The minutes of the last meeting were read and confirmed.

FINANCIAL MINUTE.

The COLONIAL SECRETARY, by command of His Excellency the Governor, laid on the table Financial Minute (No. 40), and moved that it be referred to the Finance Committee.

The COLONIAL TREASURER seconded, and the motion was agreed to.

THE LIQUORS ORDINANCE.

The ACTING ATTORNEY-GENERAL—Sir, I beg to move the second reading of the Ordinance to provide for the collection of duties upon intoxicating spirits. His Excellency in his speech to the Council when the Bill was read a first time so fully dealt with it that it will not be necessary for me to address the Council at any length. His Excellency on that occasion gave the reasons which led the head of the Government to introduce this Bill, and showed the necessity for its introduction—for the purpose of raising the revenue necessary to carry on His Majesty's Government in the Colony. He also dealt generally with the Bill in such a manner that made every member of this Council and other persons outside who read the speech fully acquainted with the principle of the Bill and the measures to be included to give effect to that principle. The principle is, shortly, the imposition of duties upon liquor as being after consideration deemed to be the article most properly subject to duty in the occasion which has arisen. The House will remember that originally it was intended that the revenue required should be met by an increase in the fees for liquor licences, but, after reflection, after considering the representations made to the Government, it appeared that it would be less harsh if, instead of imposing a duty upon one class, upon persons who belonged to what is known as "the trade," we should place it upon the community as a whole, the community of consumers of liquor. In other words, it was considered more equitable to place this duty upon the whole community rather than upon a single individual or class. The result is that the Licences Ordinance, the measure under which it was proposed to raise revenue, has been withdrawn, and in its place is brought forward this Bill to impose a duty upon the importation of spirituous liquors into this Colony. Sir, the necessity for discovering some fresh source of revenue I need not dwell upon. It is readily and generally recognised as a living necessity in view of the measures which this Colony has taken for the aid and assistance of China in suppressing opium. It is the abandonment of the last of the revenue obtained hitherto from opium, which we have every reason to believe will not come here in such a large volume in the future as in the past. That has compelled those responsible for the finances of the Colony to look about for some source that will give the supply of ready money needed for carrying on the Government of the country. For that source we propose to tap that

which we believe the community agrees to be the most legitimate thing, namely, the consumption of liquor in the Colony. What I have just said, namely, the feeling of the community in that respect, I am justified in saying, because, if I remember aright, His Excellency, in a speech on the first reading of the Bill, quoted from a resolution of the representatives of the people, the unofficial members, to the effect that a duty should be imposed on all foreign and Chinese alcoholic liquors. That is what we are doing. The Bill, then, is designed to carry into effect the views of unofficial members that it is expedient that money required for the purposes of the Treasury should be derived by a duty on foreign and Chinese alcoholic liquors imported into the Colony. It is not necessary for me to address the Council at any length on the occasion, because to-day I am speaking on the principle of the Bill, and that has been practically accepted, and I believe hon. members will accept it to-day by passing the second reading unanimously. Let me be permitted to say that we are agreed to two things: that there should be a revenue derived from a duty on imported liquors. And if that is so it only follows logically that the Bill that imposes those duties must contain provisions which will enable the Government to effectively collect the duties which the Council authorises them to impose. The measures for that purpose will be such as are calculated to defeat, to detect, and to punish for evading or smuggling. It is obvious that if you pass the Bill giving the Government power to impose duties, you must also give power to enforce those duties, otherwise the whole Bill is a farce. It is, I believe, not going too far to say that there are very few persons who will put themselves out of the way to pay duties they are not actively called on to pay. Hence it is that in every country where revenue is partly derived from import duties there is that institution known as the Custom House. And even in England, where it is supposed there is absolutely free trade, people landing from abroad are liable to have their baggage examined, and it takes more or less time to get it passed through the Customs. This Bill will, of course, contain such measures as are essential for the enforcing of the duties which the Council empowers the Government to impose. The provisions of the Bill in that respect necessary have been made, as hon. members will see when we go into Committee, as inoffensive as it is possible for any such measures to be. Of course, it is always disagreeable to have your baggage searched, but the baggage is in most cases not searched unless there is some reason to suppose that the person accompanying the baggage has in it articles liable to duty. The Bill, of course, does contain, and must contain, powers which give to revenue officers the right, should occasion arise, to see that the Government is not being defrauded of revenue. That is all we can say about those provisions. There is nothing offensive in them: they are the ordinary provisions found in every Bill which deals with the imposition of import duties. As a matter of fact, this particular provision that will be contained in the Bill is not conceived out of the mere consciousness of the draftsman, but is taken from the Ordinance of a neighbouring Colony, the Straits Settlements, almost word for word, the only difference being that it is less offensive. We come next to the method by which we propose to collect revenue. The method of collection will be, shortly, that when goods arrive in the Colony they will be stored under bond in the King's warehouse or in a warehouse specially licensed for the purpose, unless they are delivered direct from the ship to the purchaser, who has paid the duty and obtained a permit to take his goods direct from the ship instead of into a bonded warehouse. The goods placed in bond, of course, will remain there until duty has been paid upon them; and provision is made in the Bill by which goods may be removed from bond to bond, from King's warehouse to private warehouse, or vice versa, upon the production of a removal permit. That is practically what will happen with regard to imported liquor. Then liquor has to be dealt with that is made in the Colony. I am glad to say there are one or two factories where spirits are distilled, and there is a factory to which we all wish success, at the head of

the bay here, where beer is being made. It is an experiment which we hope will flourish. With respect to the home-made liquors, they, of course, would have to pay their share towards the revenue. The imposition upon them will be that which is known as excise, and, according to the class of liquor made in the Colony, it will pay whatever the equivalent class of liquor pays on importation. That is to say, if anyone is clever enough to make good whisky in the Colony, the excise will be whatever the import duty on good whisky may be, and the same will apply to beer. Then there is another class of goods, those which pass through the Colony in transit. They are quite free from duty, and this Bill does not touch them at all. They can be put in bond and exported again. But here it will be necessary to do what to some people appears offensive, namely, to see that such goods put into bond are really exported again, and not distributed in the Colony. I put it to the gentlemen of the Council that it is a misapplication of the word "offensive" to say that it is offensive to see that goods placed in bond for export are exported, and not used in the Colony. Since the Bill was read a first time the matter has received the very careful and anxious consideration of the Government, and every desire has existed to do what was possible to produce a Bill which, while it would have the effect of raising the revenue, would be easy to work, and would fall as lightly as possible on all of us who are subject to it. One or two limitations have been made in the Bill since it was printed and read a first time. There are not many, and I will just mention one or two of the more important ones. In the first instance, we have omitted from the interpretation clause the words "medicated wines," because they will be treated as ordinary wines, and therefore subject to the ordinary duties, or else they will come under the definition of denatured wines, wines to which something has been added to make them unfit for use as a beverage. When we come to deal with the amount of duty to be imposed, we propose to have the duty on liquors not in bottle at the printed figure, namely, \$3.20 a gallon, but with respect to liquor imported in bottle we propose to ask the Council when in Committee to reduce the amount to \$2.40, which, taking six bottles to the gallon, would give a duty of 40 cents a bottle. The reason for this discrimination between liquor in wood and liquor in other receptacles is that the former is of much higher proof. Liquor in casks is always in a state of high proof which, to use the technical term, has to be "broken down," reduced in strength. Regulations as to "breaking down" will be made after the Bill has become law. Bottling and reduction can be permitted in bond. We propose, in order to expedite the unloading of vessels, to give power to the keeper, whoever he may be, of the King's warehouse, to have goods taken from the ship without a permit, the keeper of the King's warehouse being a person to whom the revenue may be trusted. It is hoped that this will prevent the delaying of the ship. We understand that desires in that respect will be greatly facilitated by the fact that the Government will be able to have at its disposal the large godowns of the Kowloon Wharf and Godown Co. and also of Messrs. Holt. There will be a new section dealing with the removal of liquor in bond; that is, liquors not for export. If it is desired to remove these liquors from bond to bond, say, from the King's bond to a private bond, that can be done if permission is obtained from the proper officer. We propose also to ask the Committee to assent to the reduction of the fee for a licensed warehouse from \$1,000 to \$500. We also propose to ask the Committee to assent to the principle that no licence fee of any kind shall be charged for storage in a naval or military warehouse. With regard to the proposal which we originally thought seemed necessary, and which some may still think necessary, with regard to the inspection of baggage, we propose to ask the Committee to strike out that clause, without which we trust to be able to make the Bill effective. These, Sir, are about the only differences between the Bill as originally printed, and the Bill as we shall ask the Committee to pass it this afternoon. I believe that we are agreed upon the principle of the Bill. I believe

there is nobody who does not recognise the necessity for revenue, and I cannot conceive any person who, after calm consideration, can object to any clauses in the Bill which are required to make the Bill effective for its purpose of collecting revenue. I do not think that any person who recognises that it is right and proper to impose an import duty cannot agree that it is essential to carry that principle into effect and exercise checks and inflict punishments where these checks are evaded. We, therefore, propose in the Bill to give power to a Magistrate to issue a search warrant to examine premises in which he has reason to believe liquors are concealed. This is not peculiar to Hongkong, as there is no country in the world where right of search does not exist. There is certainly not a Colony in which that power does not exist. It is necessary to prevent the smuggling of dutiable goods. In this Colony we have the principle applied to the prevention of the smuggling of arms and ammunition. I will leave it to the Council to imagine what value the Prohibition of Arms and Ammunition Ordinance would have, if we simply prohibited the practice and gave no powers to prevent the smuggling. With respect to the liquor law, the provision we propose merely gives to the Magistrate power on proper information laid before him to issue a search warrant. This constitutes a safeguard, as the Magistrate will have to be satisfied with the information before he issues a warrant. Of course, the man whose house is searched has always his remedy if there be no justification for the search, and the Bill provides compensation in cases where a search has been made and nothing has been found to justify the search. But, Sir, this principle is not new. Every Magistrate in the Colony has power to have the house of anyone sitting round this table searched if a person of repute lays before him any information that stolen goods are therein secreted. It does not follow that because the goods are secreted in my house that I am a thief. Frequently in my experience houses have been searched for goods secreted there which were stolen by the servants or their friends. It would be the height of folly to say that it would be unjust that such a right should be given, and it would be absurd to ask the Government to prohibit this right to issue search warrants because it was offensive to have a policeman come to the house. It is only a weapon placed in the hands of the law for the more effective enforcement of the law for the protection of the property of the individual. This power is for the protection of the Government, and therefore of the public. There is nothing objectionable in such a power being given. The Council is stultifying itself if it passes the law authorising the raising of revenue, and then refuses to pass the measures essential to that law being carried out. I do not expect any serious opposition to the principle of this Bill, and in Committee we can discuss these clauses to which I have referred. The words "domiciliary visits" have been used by some, but the persons who used them did so in a sense which did not belong to them. A domiciliary visit is a visit much as are made in certain foreign countries by the police without obtaining any warrant on sworn information, entering houses and searching them for papers and other things. That is meant by domiciliary visits, and it is an abuse of language to describe the visit paid by the constable holding a warrant issued by the Magistrate on sworn information as a domiciliary visit. It is a search by the police in the execution of the law. Sir, I beg to move the second reading of the Bill.

The COLONIAL SECRETARY seconded.

HIS EXCELLENCY—Gentlemen,—It is usual for the President of this Council to reserve any observations he may have to make until any hon. members who desire to speak have done so, but on this occasion, with the consent of the Council, I propose to make a few remarks regarding the financial position without forfeiting my privilege of closing the debate. I do so because it has been represented to me by the unofficial members that it will facilitate matters if I make some explanations as to the financial position. I take it that the question which is in the mind of a good many members of this Council is, I believe, somewhat as follows:

On the 13th August last when the resolution was introduced into this Council it was estimated that the revenue which would be derived from the operation of that resolution would amount to something like two and a half lakhs, whereas to-day we are bringing before the Council a Bill to impose import duties by which it is estimated that the revenue derived under its operation will amount to perhaps seven or eight lakhs or even, as the hon. member for the Chamber of Commerce had said, perhaps ten lakhs. The question is: Why, if two and a half lakhs were considered sufficient in the first instance, is the taxpayer being asked to pay so much more towards the revenue? In the first place I will address myself as briefly as possible in reply to that question. I would remind you that when I introduced the Budget last year I pointed out that by appropriating for the revenue of the year the sum of \$371,500, the capital amount of Widows' and Orphans' Fund, together with the amount which the Government paid as interest on that sum and equalisation of exchange, we incurred a total liability of \$421,500. In addition to this the Budget did not balance by \$72,170, or, taking the two together, \$494,000, or, roughly speaking, five lakhs. This was the amount of the deficit of last year, which we have to make good in estimating for next year. To this we have to add whatever deficit may accrue on the lower tenders for the Opium Farm than we have hitherto received. From that loss we can deduct whatever sum the Imperial Government gives us as a substantial part of our loss. It has been estimated that we lose five lakhs on opium. If the Imperial Government were to give us half that sum there would still remain two and a half lakhs to make good. When I proposed the resolution on August 13th I had no anticipation that the increase then suggested would meet this very large debt, but I considered it was the maximum by which the fees could possibly be raised. I cannot estimate yet with any precision what the deficit will be when we have completed the Estimates for next year. It depended in part upon the tender for the Opium Farm, and in part upon the contribution of the Imperial Government. I had hoped that with two and a half lakhs from the increase of liquor licence fees, together with considerable retrenchments, together, also, with some further savings, which I had hoped will be considerable, and which I will explain in a week or two when I have the pleasure of introducing the Budget for next year. I hope from these various sources that we should meet, or nearly meet, the five lakhs' deficit on last year's revenue. That leaves the loss from the opium practically untouched. It would, therefore, have been necessary had we passed that resolution to have devised some further means for meeting any deficit which might result from opium. Now, as regards the profit on import duties which we propose under this Bill, you will no doubt all agree with me that all persons engaged in the liquor trade who have at the present time any stocks of liquor in the Colony will retain these for sale in the Colony duty free. If they have stocks intended for export it is natural that they should retain them, and further stocks to replace them would be ordered. I think it is very probable, therefore, that the revenue derived from import duties during the year 1910 will be less than the ordinary amount, and we should not estimate it at more than seven and a half lakhs. From that you must take a sum for the creation of the machinery—the staff collecting the duties—which will probably amount to the best part of another lakh, leaving, roughly, six and a half lakhs to meet the five lakhs' deficit on last year's estimate, in addition to the opium last. Looking to retrenchments which we have been able to effect, and other savings alluded to, I hope that this sum will meet our requirements next year, and I hope it will leave us a little to the good, but you will see yourselves that the margin is not large. With regard to the following year, 1911, I would remind you that in that year we have to meet the full interest on capital account of the railway, interest on one million sterling; also that the sinking fund comes into operation in that year. Moreover, very few railways built have paid their working expenses in the first year, so that

we must anticipate a further sum on that account. Therefore, at the end of 1911 we will have some six lakhs to meet for railway expenses, and if the duties derived from this Bill considerably increase in that year, when an efficient staff has been created and when existing stocks of liquor in the Colony have been consumed, I think you will agree with me that there is not too large a margin to meet the increased cost due to the undertaking of the railway. I have made these few remarks with your consent and concurrence before any hon. members who wish to speak have done so, because I think that in all probability, having cleared the financial position, many arguments and questions which otherwise would have been propounded will now be rendered unnecessary.

Hon. Mr. Ho Kai—Sir, up till this morning it was not my intention to speak on the second reading of this Bill, but after listening to the remarks of the learned Attorney-General, which showed that there was more than one principle in the Bill—first, the principle with regard to the levying of a tax on intoxicating liquors, and secondly, the principle of enforcing the law concerning the levying of those duties—I am left no choice but to speak. However much I approve of the principle of levying duties on intoxicating liquors, I do not approve of the principles the drastic principles—of enforcing, and especially of detection. From this you will see, Sir, that I refer to sections 31 and 35. Those sections give power to the Government to order a search of the baggage of all persons landing in this Colony, and also to enter every business place, and every domestic home in the Colony. Now, Sir, the Attorney-General seemed to make light of those provisions. He said that they were not only necessary, but could not be offensive; he also said that they exist in the Ordinance at Singapore. But he forgets to tell us that in Singapore the provisions are in connection with the Opium Farm, and that the firm that has the opium monopoly also run the Spirit Farm. These powers of search for the detection of contraband goods are not new in Hongkong. They are already conferred on the Opium Farmer and his excisemen. Every house here could be visited by night or day under warrant, and also every person landing in the Colony could be searched, as well as his luggage. At the same time, in connection with the working of this law, we thought it was unnecessary, at this stage particularly, for us to consider those measures. I understand from Your Excellency that it is your particular wish that this Bill should pass the Council quickly, but with these two clauses in, I am afraid that the discussion on them would involve some considerable time, and that the quick passage of the Bill will be delayed. I understand, Sir, further, that if this Ordinance is passed very soon afterwards a consolidating Ordinance will be introduced. I submit, therefore, that the two clauses 31 and 35 should be deleted from the present Bill, and if, after further consideration, they are thought necessary, they can be introduced in the consolidating Ordinance. There is no necessity, Sir, to bring into force these parts, as there is no machinery to put them in action at once. That is one of the reasons why I oppose the retention of these two clauses. Further, Sir, in our various conferences on the provisions of this Ordinance, or the desirability of passing an Ordinance of this kind, I thought it was understood that there was no necessity for anticipating any difficulty in the detection of smuggling of spirits into this Colony, and that it would not be necessary to institute searches in private houses, and also in places of business. In fact, even if we were to institute such searches, and to find liquor on the premises searched, it would be extremely difficult for us to prove that it was smuggled, and it would be equally impossible for the owners to prove that these liquors had had duty paid on them, and to give reasons for their being on the premises. Liquor, unlike opium, is kept by nearly every householder in the Colony, European and Chinese alike. Once liquor is imported into the Colony without paying duty, it is almost impossible to detect it, and to bring the crime home to the smuggler. Therefore, these provisions will do very little good, but, on the other hand will become a source of irritation to a large number of the inhabitants; so much so that they will have a tendency of exciting

enmity against the measure, which, with these two clauses left out, would be almost unanimously supported by the community in general. My third reason for thinking that these clauses are not necessary is that the power of searching private houses is already possessed by the Opium Farmer, and that power of search could be made use of to assist the Government in detecting liquor which had been smuggled. The ideal picture of a Chinaman with two bottles of whisky or brandy up his sleeve is all very well for a comic paper, but in practice it is not reasonable. First of all, a Chinaman with two bottles up his sleeve would not earn 40 or 50 cents a bottle, as he would only get a half or a quarter of the value of the spirit, for he must smuggle to sell considerably cheaper than the duty-paid article can be sold. The Chinaman knows better. If possible he might smuggle two bottles of opium and make \$40 or \$50 out of it. Therefore, Sir, the power if given is of no use. It would only create alarm, and make people believe that they would be subjected to further search; first a search for opium, and then another by excisemen for spirits. I do not think that it is necessary to have these powers at the present moment. If liquor is brought from Home, ships will be held responsible if it is not on a bill of lading, and the master of a vessel, or the company or owner, would be liable if they did not return a correct manifest. Again, it was suggested that spirits or wine might be smuggled from Canton or Macao. That also is impracticable, because both in Canton and Macao liquor imported has to pay duty, and it is inconceivable that a man would ship liquor to either of these ports, and then re-ship it to Hongkong. For these reasons, Sir, I certainly think that it is advisable, without at all events further consideration, to allow these two clauses to stand over. We have already a preventive service here for the detection of opium, and by offering sufficient inducement to these excisemen, they would be willing to give information whenever in their search for opium, they detected liquor. All that would be necessary would be to give them power to arrest smugglers of liquor and to take them to the Central Police Station, where, unless they could give a good explanation of how they came in possession of the liquor, they could be charged under the provisions of this Ordinance, and the goods smuggled could be confiscated. By these means the opposition of a great majority of people, especially of the Chinese community, towards these clauses would be removed, and the object of the Ordinance would not suffer to any appreciable extent. When we go into Committee on the Bill I will move that these clauses should be deleted.

Hon. Mr. WEI YUK.—Sir, I concur with the remarks of my hon. friend, the Hon. Dr. Ho Kai, and I have much pleasure in supporting him.

Hon. Mr. HEWETT.—Your Excellency.—As this Bill will be discussed very fully in Committee I will reserve the remarks I intended to make until we arrive at that stage, but I will now pass one or two remarks on the general purport of the Bill which I think I ought to make. The remarks made by Your Excellency were welcomed by this Council, and I am sure will be appreciated by the community at large. When the question of increasing the licence fees was raised we understood that you required a quarter of a million, but we understand now that after the end of this year you will require a million, therefore, it is better not to make two bites at a cherry, but to go straight to your object at once. Both from your remarks, and the remarks made by the hon. Attorney-General, it is very interesting to note that it is anticipated that at least half of the revenue expected to be derived from this source will be required to make up the deficiency caused by the opium policy which has been forced upon us, against our will, by the Imperial Government. That, of course, is a valuable point. I regretted to note Your Excellency mentioned incidentally that possibly the Imperial Government would only give us half the loss. I trust they will be more honest and give us all we are entitled to claim for acting in accordance with their policy. I mention this point, because in proposing the resolution to increase the licence fees the Colonial Secretary stated that the increased revenue was not required to

meet any loss on opium. The hon. Attorney-General in referring to the provisions of the Bill fortunately did so with great detail. It was doubly fortunate, not only because it threw an illuminating light on the Bill before us, but because it gave me an opportunity of comparing—very hurriedly, I admit—the Bill before us dated 16/9/09 with the Bill dated 10/9/9. I would draw Your Excellency's attention to the Bill dated 6/9/09. A Council meeting was held at 2.30 p.m. on the 10th inst., but that Bill did not reach members until late on the afternoon of the 9th, so that we had no opportunity to read it through until the morning before the Council meeting. I need hardly say that each unofficial member should have had an opportunity of considering with his colleagues such a far-reaching, drastic measure of an entirely new form of legislation in the Colony. I find that when the discussion took place—or rather a few remarks were made—at the meeting of 10th September, not only I but other hon. members of the Council were speaking on the provisions of the Bill dated 6th inst., which they received the night before, and which they supposed was the latest edition of the Bill. It was not until Sunday that I found there was a new copy of the Bill dated the 10th inst.

The COLONIAL SECRETARY—I told you that in seconding the motion.

Hon. Mr. HEWETT.—If you did, you did it hurriedly and were not understood. Here again we come here after careful consideration for the best part of the week of the Bill dated 9th September before us, and I find that a new Bill is on the table. Thanks to the detailed manner in which the hon. Attorney-General proposed the motion I was able to look through it and I find that some radical changes have been made. I think it is necessary to emphasise this point, not because we complain that we were badly treated, but because I wish Your Excellency to understand that if called upon to speak and vote upon a Bill dated 16th September we are doing so hurriedly and without having an opportunity of studying its provisions. I would point out to Your Excellency that it is quite possible that we appear to support certain provisions, and when in Committee they do not meet with our approval it will be said that we changed our ideas. In view of the far-reaching importance of this Bill and the changes made in such a very short time—three copies inside a week—I think it is very necessary to emphasise this point. I notice that among other clauses there is one dealing with bottling and blending which has been entirely cut out of this last Bill, and there are one or two changes, somewhat drastic, which will be dealt with in Committee. With regard to the changes in this Bill, the senior unofficial member was speaking on the draft dated 10th September, and was apparently quite unaware of the fact that there was a new Bill, or if he was aware he was unaware of the changes made. There is only point to which I would like to refer, and that is, I don't think on inquiries made, if the Bill is delayed, that your Excellency need be at all afraid so far as European liquors are concerned that any large quantity will be imported for the purpose of evading duties. I don't think much harm would be done by delay. This is an entirely new departure, and we have no knowledge at all as to the provisions under which the King's warehouse is to be worked. We have no knowledge of duty under bond and we also don't know the conditions and regulations under which bottling and blending—a very important industry in this Colony—are to be carried out. Therefore, Sir, I think it is most desirable that all those regulations should be placed before Council to give us an opportunity of discussing them.

The ATTORNEY-GENERAL—Wait till the Bill is passed.

Hon. Mr. HEWETT.—I don't see how we can pass a Bill and then deal with the legislation in it. An entirely new departure like this, with regulations of such a far-reaching nature, dealing with a very important trade of the Colony, should not be dealt with by the Governor-in-Council, but should be dealt with by the Legislative Council before they become operative.

Hon. Mr. MURRAY STEWART said—This day's work in this Council will, in any event, be noteworthy in the annals of the Colony. The decision which we are to-day driven to take is

fraught with possibilities of danger. No one can fail to feel the grave responsibility of sharing in it. The occasion takes you by the throat and puts you into a corner and demands that you should speak out, if it should seem that any aspect of the question needs emphasising. One aspect does, in my opinion. Through all the discussions which have led up to this moment I have been haunted by the fear of an impression getting abroad that the Colony has fallen away from its old faith in the freedom of the port. Your Excellency has tried to dissipate this impression, but in spite of all that has been said, in spite of the very satisfactory assurances which you have given, doubt will, I fear, still tend to linger. Only the other day an old resident who used to occupy a seat at this table wrote to the papers saying that madness lies the way we are going. There are many old residents here, and many more at home having interests here, who will view with apprehension the proposals contained in this Bill. The imposition of an import duty in any shape or form may seem to them to indicate an ominous weakening of the ideal which has hitherto been the Colony's guiding star. Anyone familiar with Hongkong's history, but knowing little of the inside workings which have resulted in the present measure, may quite conceivably imagine that an extraordinary thing has happened. He will have it in mind that hitherto proposals to impede by taxation the unfettered freedom of trade have usually emanated from the Government and have steadfastly been opposed by the mercantile community. He will note that the present proposals seemed to come from the community, and he may conclude that the attitude of the community's representatives towards an old and vital question has undergone a remarkable change. That is not the case. True, responsibility for the proposed step rests upon the unofficial members. I do not seek to shirk any responsibility inherent in our proposals. I am only anxious to make clear the nature of that responsibility and to disclaim any for proposals of the Government which go further than the recommendations in which I concurred. I am loath to tread over ground so familiar to most of us, and so extensively wandered over this afternoon, but for my purpose I must sketch the circumstances under which these recommendations were made. They may be briefly stated thus: The Government, having decided to raise revenue somehow from the sale of intoxicating liquors, brings forward a scheme—admittedly a faulty one. Discontent with it is widely expressed. The unofficial members meet to see if they can arrive at some solution of the difficulty. We did not meet to discuss other sources of revenue. It is not our business to prepare the Estimates. This does not seem to be fully understood. We did, however, as it turned out, discuss other possible sources. None seemed so suitable as the source indicated. After much consideration we decided to recommend an import duty. We passed resolutions indicating plainly that we did not intend the through trade to be touched in any way—the Colony was only to pay on liquor actually consumed in it—and we united in the hope and belief that the Government would receive and favourably consider certain suggestions as to the method of collection which would not change the character of the port. A method of collection, believed to be at once efficacious and almost frictionless, as regards ocean steamers, was suggested and thrashed out at the private meeting at Government House to which reference has been made. The risks of petty smuggling by passengers coming from great distances were held to be so small as to be negligible. It was pointed out that unless cases of wine are very carefully packed, breakage is likely to occur, and that, therefore, if in any quantity, such cargo is certain to be declared. Anything less than a case was voted to be not worth bothering about, certainly not worth while changing the character of the port for. The assumption was that, as regards ocean steamers, the collection of the duty could be worked entirely through the Harbour Office. It was seen and agreed to in all these discussions that the case was different as regards steamers arriving from Macao, Canton and the Coast Ports. It seemed to me that special powers to deal with passengers by these

steamers would have to be taken by the Government. But after hearing the senior unofficial member this afternoon I should like to think over that again. But upon this we were all agreed, that there were to be no finnikin regulations for dealing with passengers by ocean steamers. The globe-trotter and his luggage were to go free. From these hints as to what occurred it will be evident that the unofficial members were not indifferent to the principle of freedom, which it is, perhaps, their first duty to protect. Your Excellency commented on the unusual nature of the step which we took in making public the resolutions at which we had arrived. These were sent to the Press not because we were sure that we were right, but because in a case of the kind the fullest possible publicity seemed desirable. It seems to me desirable that any proposals involving taxation should be referred to the public. English political liberty is supposed to rest on the theory which prompted our action. We had some idea that our suggestions might stimulate criticism and reveal neglected aspects of the question. But, in any case, what happened shows that a bald statement to the effect that the unofficials urged the Government to put on an import duty, as if the circumstances had its origin in their eagerness to impose one, is at least open to misconstruction. Our choice lay between two evils, the doubled licensed fees on the one hand, the duty on the other. We chose, we hope, the lesser evil, but we were not so blind as to fail to see it in the light of an evil. Personally, I regret having had to agree to the surrender of a single inch of our freedom from trade restrictions. It goes against the grain with me to witness the institution of even the smallest Customs service. I am haunted by the prospect of seeing upon our quays the man in the brass hat whose business it is to challenge the passenger to unstrap his trunks. I object to that man wherever met. I object to meeting him so often. He straddles across the threshold of nearly every country—a standing nuisance to travel—the symbol of economic false doctrine, financial heresy, and political schism. He is the outward and visible sign of denial of the great doctrine of universal free trade. In that I still believe, although the hopes on which it is based seem more than ever dim. But dim though they may appear, and though elsewhere it may be that retaliation is justifiable, the jealous guarding of that doctrine in this Colony is dictated by the vital necessities of our situation. And so when I read the version of this Bill which reached me last Thursday evening—the evening before the first reading took place—I was staggered to find that the Government proposed to arrogate to themselves powers under which a complete Customs service could be established. How extensive those powers were does not seem to have been fully realised in some quarters. Under them Customs stations could have been established at every wharf in the harbour, in every bay in the coast line, and on every road leading into the Colony. Passengers landing from any steamer could have been held up and arrested without warrant if they objected to open luggage at the bidding of any revenue officer, who might be a Chinese talking no English. And not only could such an officer have so held up any passenger landing, he would have been equally formidable when, after landing, the passenger might reasonably have imagined himself safe in the bosom of the Colony. According to clause 31 in that version of the Bill “any person landing or being about to land or having recently landed from any ship or entering or having recently entered the Colony by land shall, on demand by any revenue or police officer, permit his baggage to be searched, etc.” Having recently landed! This meant that none of these huge trucks of luggage which are man-hauled up to the doors of our leading hotels in the travelling season would be safe from the danger of being arrested by any Indian constable or Chinese lukong whose suspicions might fasten on the sarsotoga trunk of some American globe-trotter, probably an elderly total abstainer from a prohibition State. (Laughter. The phraseology of Clause 32 was similarly open to objection. Clause 34 gave power to any revenue officer to arrest anyone without warrant on suspicion of his having in his possession any dutiable liquors, and 35 gave the right of domi-

ciliary search on the warrant of a single J. P. Altogether these clauses seemed to leave nothing of our former liberties beyond what the Government might be pleased to allow us to enjoy on sufferance. Having agreed, after much painful heart-searching, to the surrender of the port's freedom to the extent of a most carefully measured inch, immediately the Government annexed an ell. Explaining this, Your Excellency assured us that all these powers which it was proposed to take were not intended for use, but that from the Government point of view it was desirable to have them. I can understand that from the administrative point of view it is always comfortable to have large powers in reserve. But the possession of large powers which tends to make administration comfortable frequently make the public uncomfortable, and these seemed well calculated to have that effect. The contemplation of them made me, as a member of the public, most uncomfortable. And as a humble representative of the public I felt bound to protest. I did so at the first possible opportunity, as Your Excellency may remember. Subsequently I found that already in the first revised version of the Bill, which was laid on the table at the last meeting, the offending words “recently landed” had been cut out of clause 31. And to-day the Government has announced the deletion of clause 30 and sundry other important modifications. I admired the skill and address with which the hon. the Attorney-General built up a defence of these powers and gracefully retired under cover of it from an untenable position. I commend the conciliatory spirit in which our representations have been thus met. I hope it may prove a happy augury of the spirit in which this Bill will eventually be operated. The Senior Unofficial Member has dealt with certain other clauses to which he objects. At present I do not propose thus to criticise the Bill. I shall have many objections to make in Committee. We have now to vote on the principle of raising revenue by an import duty on liquor. To that principle the unofficials stand committed. We cannot, therefore, vote against the second reading. I hope we may find the officials whose duty it will be to operate the Bill imbued with the idea of maintaining the essentials of freedom—resisting the temptation to introduce restrictions convenient to their immediate purposes, but calculated to hamper trade or hinder travel. That will be one of our dangers. It is not that officials are less thoughtful than other men. Other men in their place would do the same. They would be just as liable to get carried away by zeal. Further, all protective services tend to expand. Weak spots keep revealing themselves to officials eager for efficiency. A demand sets up for more and more stations, more and more regulations, more and more officers. This I dread—the multiplication of minor officials. In this case their one thought will be revenue. They will become eager to stop every conceivable hole and corner where it may get past. They will need restraining. And the power behind them, the Government, may conceivably now and then also need restraining. That is perhaps the main danger. Appetite grows by what it feeds on. The Government will be exposed to the constant temptation of trying to get more and more revenue in this way. Here it will be the duty of the representatives of the community to keep watch and ward, remembering that no amount of revenue could compensate for starting a diversion of that through trade on and by which the port lives and thrives. I shall vote for the second reading of this Bill in the hope that it may be administered throughout in the spirit of Your Excellency's assurances and in the manner originally suggested by the unofficial members. In that case the character of the port need suffer no noticeable change. Freedom may still be our motto. We may still regard it as the pole star of our policy, the “fixed mark” which has so far looked on many tempests and never yet been shaken. At least the policy which made the place is not in any danger from any fundamental change in attitude of the unofficial members of this Council, and this fact I hope I may have helped to make clear.

HIS EXCELLENCY—Gentlemen,—I think there is very little for me to say in winding up the

debate on the second reading, for the principle of the Bill has been accepted, I think unanimously, by the Council, but strong objection has been taken to various clauses, and these we shall be able to discuss in Committee. The senior unofficial member takes very strong exception to the rights of search, and he has pointed out to us that in his opinion all that is required, or all that is rendered possible by those sections, could be achieved by using the machinery of the Opium Farmer. I confess I am surprised at such a line of argument as that. If that machinery was capable of being used for the purpose he advocates, it stands to reason that the Government is not going to duplicate it by creating a second machinery, but at an interview I had with him and other leading members of the Chinese community, it was strongly urged upon me that a farm was not desired by the Chinese. The Government has done its utmost to meet the wishes of the Chinese community. Perhaps we are attempting the impossible, but in deference to the strong wishes expressed to me by leading members of the Chinese community, we have not instituted a farm. We hope to carry through with what I consider to be the minimum rights any Government must secure to itself, not only to protect the revenue, which is in fact the assets of the taxpayer, but also to protect those who do pay their duties and who also have every right to the protection of the Government. The hon. unofficial member at the end of the table has been good enough to say that he for one has received what he thinks to be very satisfactory assurances since the Bill was first raised, and that he hopes that in Committee the spirit of concession and conciliation will be continued. I can only say that any reasonable suggestion regarding any clause in the Bill will receive the utmost consideration, not only from the whole Council, for that is assured, but from Government in the most conciliatory spirit possible. But neither this Government nor any Government is prepared to sacrifice what is essentially a principle of a Bill without which it cannot be operative. To do so would be to abandon the principle of the Bill itself. The hon. member who represents the Chamber of Commerce complains that one revise after another had been shot upon the Council and that he was unaware of and had not before seen a revise dated this day. I may tell him that I had not myself before seen it. This revise dated the 16th is not strictly speaking before the Council at all. It embodies for the convenience of members amendments which it had been proposed to make verbally during the passage of the Bill in Committee. The origin of those amendments is to be found in that spirit to which the hon. member alluded, of conciliation, to endeavour to meet any reasonable and rational suggestions which have reached the Government. The hon. member, too, remarked—I refer to the hon. member who spoke last—that a great principle was being infringed by the imposition of import duties, and he appeared to me to indicate—I don't know if I rightly understood him—that the imposition of those import duties was an infraction of the great principle of free trade. Perhaps I misunderstood him. That was his view. I cannot say that I share it, for I have always understood that duties imposed solely for the purpose of revenue were not considered protection. There is nothing in this Bill which imposes any duty of a protective nature—in fact, as you are aware, the excise duty is put on a par with the import duty, and that if it is criticised in any direction I think it may be criticised as being rather against the principle of protection than for it. The senior unofficial member drew a humorous picture of the Chinaman with two bottles, one up each sleeve, and I think with great force asked why the bottles should not contain opium instead of spirits. That appeared to me to some degree to afford an answer to his own argument. If it is so much more lucrative to smuggle opium, and if, as he says, there will, therefore, be no smuggling of spirits, it is certainly natural that the right of search claimed by Government will not be put in force. It will be put in force only so gradually and to such degree as circumstances may show that it is necessary. I think, gentlemen,

that I have answered to the best of my ability such points as have been raised on the general principle of the Bill. As regards the points in connection with these various clauses we shall have every opportunity to discuss them presently in Committee. (Applause.)

The motion was carried, and the Bill was read a second time.

Council then went into Committee.

Hon. Mr. HEWETT said he had a list of eighteen medicated wines, some of which were drunk by teetotalers. (Laughter.) Eight of those wines at least were nearly half the proof of brandy. He thought no medicated wine should be admitted free; of course, there were certain medicated wines which nobody would drink as a beverage.

HIS EXCELLENCY—Then they come under the nature of the denatured spirits.

Hon. Mr. HEWETT—These things are drunk as a medicine.

The ATTORNEY-GENERAL—It is only such medicated wines which have had something added which make them unfit to drink as a beverage which come under the heading of denatured spirits.

Hon. Mr. HEWETT—Medicated wines should be allowed duty free. A list of exemptions should be drafted.

Agreed to.

On considering Part I,

Hon. Dr. HO KAI—I propose that the following scale be substituted for the duty proposed in the Bill:

	Per Gallon
Brandy and liquors	\$3.00
Whisky	2.40
Gin, Rum, and other Spirituous liquors	1.20
Champagne	2.40
All other sparkling wines	1.80
Port, Sherry, Madeira	1.80
Other still wines in bottles	1.20
Other still wines in wood	0.60
All other intoxicating liquors, excepting Spirits of Wine, and native wines and spirits	0.24
On all native wines and spirits, other than Arrack	0.15
Spirits of Wine and arrack	3.00

It had been approved by the unofficial members at a meeting when they discussed the subject for a couple of hours. We had the advice of two experts, gentlemen engaged in the trade. The list is double the original list, but we think it will give a scale which is more fair. We hope the Government will accept it.

HIS EXCELLENCY Will this scale produce less or more than the one before us?

Hon. Dr. HO KAI—Nearly the same, Sir. We charge \$2.40 for champagne.

Hon. Mr. HEWETT—In arriving at this scale we calculated on so many cents a bottle, so as to simplify retailing.

Hon. Mr. STEWART—If you charge the same for gin, whisky and brandy, you encourage smuggling. The difference between the prices is so great. Whisky is twice as expensive as gin, brandy more expensive again, and with the same duty it will be an encouragement to smuggling.

HIS EXCELLENCY—We took this scale from the Straits Ordinance, which has been in operation, and we think it advisable to pass this scale in the Bill and amend it later if necessary.

Hon. Dr. HO KAI—It is easy to carry out this scale.

The ATTORNEY-GENERAL asked if the unofficial members were prepared to add that whisky not in bottles should pay a duty of \$3.20.

HIS EXCELLENCY said it was very important to discriminate between whisky in wood and whisky in bottles.

Hon. Mr. HEWETT said they had discriminated as far as cheap wines were concerned. To be consistent the unofficial members should accept the alteration suggested by the Hon. Attorney-General.

Hon. Mr. GRESSON said they had spent two hours discussing that list, and they should not upset it.

The ATTORNEY-GENERAL thought the Committee should accept the scale fixed by the Government, and later, if it were expedient, the Legislative Council by resolution could alter it. They were groping in the dark and they thought their list was better.

Hon. Mr. HEWETT—We are business men and we discussed ours fully.

Hon. Mr. STEWART—We think ours better.

HIS EXCELLENCY—I have no objection to the scale proposed, except that discrimination should be drawn between spirituous liquors in cask and in bottle.

It was agreed to insert "whisky in wood, \$3 a gallon."

Hon. Mr. STEWART—I think brandy and liqueurs should be charged more than whisky in wood. I should say \$3.60.

Hon. Mr. HEWETT thought it was advisable to have as few grades as possible.

It was decided to delete all small fees proposed to be charged, Hon. Mr. STEWART remarking that they were vexatious.

When Part 2 had been completed, His EXCELLENCY said that he proposed to adjourn until to-morrow.

Hon. Mr. HEWETT said that that was mail day, but he could attend if the meeting was called for four o'clock. He thought most of the contentious part was finished.

Hon. Dr. HO KAI—No.

Hon. Mr. HEWETT said the Director of Public Works informed him that he would be able to have the electric light for to-morrow night, and they could sit as long as His EXCELLENCY pleased.

HIS EXCELLENCY—Council stands adjourned until four o'clock to-morrow. The meeting of the Executive Council convened for to-morrow will be adjourned.

SANITARY BOARD.

A meeting of the Sanitary Board was held on the 14th inst. at the Board Room. Mr. F. D. C. Wolfe presided, and there were present: Hon. Mr. P. N. H. Jones (Vice-President), Colonel Bedford, Mr. Lau Chu Pak, Mr. Ho Kom Tong, Dr. F. Clark (Medical Officer of Health), Dr. Pearce (Assistant Medical Officer of Health), and Mr. A. Gibson (Acting Secretary).

PREVENTION OF MOSQUITO BREEDING.

The MEDICAL OFFICER OF HEALTH submitted the following Minute relative to the byelaw for the prevention of mosquito breeding:—

As a corollary to the discussion at the last Board meeting on the subject of mosquitoes, I beg to recommend that the words "of the sub-family anopheline" be deleted from the attached byelaw which was made by the Board in October last. There are a number of diseases, both of man and animals, which are conveyed by mosquitoes not belonging to this sub-family, of which the most notable examples are yellow fever and Filariasis, and it is undesirable therefore that the powers of the Board should be limited to one sub-division of the mosquito family. The steps to be taken to prevent the breeding of these pests are the same in all cases, namely, the prevention of the accumulation of standing water, which is necessary for the development of the larvæ, and the removal of such brushwood, etc., as may afford a shelter to the adult insects. The byelaw merely gives power to direct that steps shall be taken for the prevention of the breeding of mosquitoes on any premises, under the advice of the Medical Officer of Health or any assistant Medical Officer of Health, and will apply only when mosquito larvæ are actually found upon such premises."

Dr. FITZWILLIAMS minuted—Not only on account of the diseases which mosquitoes other than anopheline may spread, but because, if the conditions are present, or the breeding of any kind of mosquito, the anopheline will sooner or later make use of them.

The REGISTRAR-GENERAL—What is the average annual number of cases of yellow fever and Filariasis in Hongkong?

Consideration of this matter was deferred.

CLEANSING OF WELLS.

Correspondence was submitted relative to the re-opening of certain wells for cleansing purposes.

Mr. HO KOM TONG minuted—If old wells should be re-opened, and if kerosene oil be added as suggested by Mr. E. the Governor, I fail to see how the water can be used for drinking purposes.

Dr. FITZWILLIAMS—It would seem to be advisable to re-open these wells, but very careful

supervision should be used to see that the water so obtained is not to be used under any circumstances for drinking purposes. If such supervision cannot be guaranteed the wells ought to be left closed.

COLONEL BEDFORD—Open the wells and taint the water with kerosene.

Hon. Mr. HEWETT—The wells might be re-opened if it can be made absolutely certain that the water cannot be used for potable purposes.

Mr. LAU CHU PAK—All the old wells which have been closed should be re-opened for cleansing purposes. No more water from the mains should be used until the wants of the inhabitants have been properly attended to. At the present moment the Chinese are compelled to carry muddy water from the nullahs or any place where water is procurable for cooking their food. From a health point of view, nothing can be worse than this.

The PRESIDENT (to the Water Authority)—There is not likely to be an increase in the water supply at present, is there?

The VICE-PRESIDENT—Not an increase, but I should like to know where it is that the Chinese are getting muddy water?

Mr. LAU CHU PAK—Close to the Nethersole Hospital, and in a nullah near Shektonsui.

The VICE-PRESIDENT—Is there any reason for it? There is no less water being given to the town of Victoria than there was in the month of February. In fact there is more, so there should be no scarcity of water.

The PRESIDENT (to Mr. Lau Chu Pak)—Your minute would lead to the belief that water is on the decrease, whereas, according to the D.P.W., the supply now is larger than it was in the month of February. We have been on an intermittent supply all the time.

Mr. LAU CHU PAK—I did not mean to say that the water supply was curtailed, but I say that the Chinese are not getting sufficient water.

The PRESIDENT said the suggestion was made by the Tung Wah Hospital that wells might be re-opened for cleansing purposes. The question had been considered, and a list was attached of wells which could be used for the purpose of cleansing. He moved that the wells mentioned be re-opened, due care being taken that the water is only used for cleansing and subject to the consent of the owners.

Mr. LAU CHU PAK seconded.

The VICE-PRESIDENT—Do you propose to use kerosene?

The PRESIDENT—Oh, yes.

The motion was carried.

ITALIAN CONVENT APPLICATION.

An application from the Italian Convent for permission to erect four water-closets at the Convent was received.

The PRESIDENT said the application was the same as they had before them a month ago, only that the number was reduced from eight to four.

COLONEL BEDFORD said if people liked to have three or four baths a day they could do so, and yet the Board would not sanction the use of water for flushing latrines where the quantity would be inappreciable.

The VICE-PRESIDENT said it was not the question of the amount of water. It was the principle of water supply.

COLONEL BEDFORD retorted that that was the principle the sanitarians wanted to fight. If people liked to use extra water for that purpose they could pay for it.

The VICE-PRESIDENT added that the principle had been laid down.

COLONEL BEDFORD—Then I say the principle is wrong. People can water flowers all day long have baths every two hours, and yet they cannot have water flushing latrines. That is not logic to my mind.

The VICE-PRESIDENT—It will be logic in two or three months when we have no further water.

The PRESIDENT—Colonel Bedford is merely considering the European community. As a matter of fact hardly any of the Chinese community can get water for one bath a day. If we grant this application we are making it more easy for a water famine to follow.

COLONEL BEDFORD—It is a very small item. The PRESIDENT—Yes, but if you grant this application you will have to grant others.

The application was refused unless a water supply independent of the main could be obtained.

MT. CAROLINE CEMETERY.

Correspondence was read relative to the extension of section C of Mt. Caroline Cemetery and the burial of bodies from the west of Possession Street in the same cemetery.

Mr. HO KOM TONG minuted—The restriction as to stopping persons who died west of Possession Street from being buried at Mt. Caroline should be removed, as I do not see why people who already have graves of relatives in that cemetery should be compelled to bury their dead elsewhere. If the grave spaces are being rapidly filled up, let the same section be further extended and exhumation taken in hand as soon as possible. Failing that, the Government should look out for another site at the east end near the present cemetery to meet the requirements of the Chinese.

Mr. LAU CHU PAK—I fail to see why the Chinese should not be allowed to bury their dead in any cemetery they like so long as that cemetery is specially set apart for their use. There is always spare ground for extension.

The PRESIDENT stated that Mount Caroline Cemetery was filling so rapidly that it was found that section C as well as sections A and B required extending. No extension could take place within six months of the time agreed to by the Board, therefore, it was now necessary to get the sanction of the Board so that the work could be proceeded with. He proposed that the cemetery should be extended to two areas adjoining section C.

Mr. LAU CHU PAK seconded, and the motion was agreed to.

With regard to the burial of bodies from the west of Possession Street in the same cemetery, the PRESIDENT stated that there two cemeteries in the western district, but for some reason—probably the extra undertaker fees—the one at Kailungwan was boycotted. At the present rate Mount Caroline Cemetery would be full before it could be extended sufficiently to go on with burials.

Mr. LAU CHU PAK asked if the period for exhumation could not be shortened.

The PRESIDENT said it could not, as it was laid down in the Ordinance that six months must elapse before the Governor could make an order. It was now probably cheaper to be buried in an expensive section of the Mount Caroline Cemetery than in a cheap section of Kailungwan.

Mr. LAU CHU PAK said that when Mount Caroline was full he was sure the Chinese would go to the other cemetery, consequently restrictions were not necessary.

The PRESIDENT pointed out that the Mount Caroline Cemetery could not be extended indefinitely. When exhumations took place there would be plenty of room for burial for some little time, but if burials continued there at the present pace the cemetery would soon have to be closed.

Mr. LAU CHU PAK moved that no restrictions be imposed on burials in the Mount Caroline Cemetery, and that when further extensions were no longer possible the cemetery should be closed.

Mr. H. KOM TONG seconded, and the motion was agreed to.

APPLICATIONS FOR EXHUMATION.

In connection with a number of applications for exhumation and reburial, Mr. LAU CHU PAK thought it would be well to refer these applications to the Select Committee.

The PRESIDENT moved that the Select Committee be empowered to deal with any application for exhumation other than those connected with the Colonial Cemetery.

Mr. LAU CHU PAK seconded, and the motion was carried.

Father Wenceslao Fernandez, O. P., for 35 years a missionary among the Chinese in the Tonquin missions, died on the 6th inst. at the Convent of his order in the walled city of Manila. On Friday he was stricken with cerebral hemorrhage, and while he rallied somewhat from the stroke he did not recover. He is the author of a Spanish-Annamite dictionary and several interesting works on missionary work among the Chinese.

CANTON.

[FROM OUR CORRESPONDENT.]

10th September.

THE WEATHER.

For the past fortnight the heat has been intense day and night, but a thunderstorm this afternoon, and a good downpour of rain has cooled the atmosphere.

THE DISTINGUISHED VISITORS.

When Prince Tsai-Hsun and Admiral Sah arrived here on Thursday, H. E. the Viceroy and all the High Officials went down to Whampoa to receive them. As it was the anniversary day of some former Emperor, the Prince and the Admiral were dressed in their Court robes. The Prince used a green chair carried by eight bearers. There was a gathering in the Mun-lan College, where the Prince received an address of welcome, and a similar address was presented by the Chinese Merchants' Guild, all the prominent merchants, literati, and officials being present. The hall in which the address was presented was most gorgeously decorated with Chinese lanterns, flowers, etc., and the Prince was pleased with the sight. As there was no suitable place for the Royal guest for the night he returned about midnight to Hongkong.

COLLAPSE OF A HOUSE.

An aerated water factory under construction suddenly collapsed about 7.30 p.m. on 8th inst. near Yun-lan Moon. There was naturally great excitement in the neighbourhood. The Chinese police, with the assistance of members of a hospital staff, saved many persons, but four people lost their lives.

GAMBLING IN CANTON.

A Cantonese official in Peking, Chau-Hing Kwei, recently memorialized the Throne to discontinue the gambling monopoly in Canton. Instructions were sent from Peking to the Viceroy, but the Viceroy replied that the state of the revenue did not admit of the abolition of the gambling monopoly. The same gentleman in Peking has again represented to the Throne that unless gambling is absolutely abolished in Canton there is no hope of exterminating the pirates and robbers in the neighbourhood of Canton.

A NARROW ESCAPE.

Inspector Fenton and Detective Cashman had a narrow escape from instantaneous death or serious injury during the brief thunderstorm on Tuesday night. Both officials were standing in the telephone room at the Central Police Station when a vivid flash of lightning shot between them and was followed by an explosion like that of a bomb, the flashes of light with which it was accompanied temporarily blinding both men. The report caused all in the vicinity to hasten to the telephone room, but as they gained the door they met the Inspector and the Detective coming out, considerably frightened, but unhurt.

"AT HOME" AT MOUNTAIN LODGE.

H. E. the Governor held an "At Home" on Wednesday at Mountain Lodge, and from 4.30 until 6 o'clock there was a constant procession of chairs from the tram station at Victoria Gap to the summit of the Peak. The cool breezes which prevailed yesterday added to the pleasure of the gathering. Tea was served on the grounds, and tennis and croquet were played on the courts. The Buffs' Band was in attendance during the afternoon.

ACCIDENT TO MR. J. J. LEIRIA.

While leaving the Portuguese Consulate on Saturday afternoon to proceed to the Corinthian Yacht Club's swimming carnival, Consul-General Leiria slipped on the road and fractured his right leg. On Sunday the leg was set by Drs. Stedman and Marriott, but Mr. Leiria will be confined to his bed for some time. The Consul had the misfortune to break the same leg about three years ago.

PROMENADE CONCERT AT KOWLOON.

A pierrot entertainment is a novelty in Hongkong, and this being the attraction offered at the Kowloon Bowling Green on Saturday a large number of ladies and gentlemen gave their patronage to a promenade concert which proved one of the most successful given this season. The programme was certainly distinguished for its originality of conception and freshness of ideas, and the promoters as well as those who played their parts on the stage are deserving of the highest commendations.

The scene revealed in the course of the programme was one pleasing animation. The brilliant illuminations, the fine stage effects, and the moving throng made up a very charming picture indeed. Music and creature comforts were administered in a manner to give universal satisfaction, and it is safe to say that no one left the grounds who did not appreciate the night on the green.

Seven pierrots and pierrettes held the stage—four pierrots in green and three pierrettes in red, but others, dressed in white, were engaged in various occupations in connection with the event. The costumes were very effective indeed, and were in keeping with the original and artistic features of the concert. The seven entertainers called themselves "The Port and Starboard Lights," and made their debut with an introduction set to charming music. Monsieur Maraschino (Mr. Ayris) rendered "Take a pair of sparkling eyes" very well, considering he was suffering from a cold. He was followed by Mlle. Chartreuse (Miss Parke), who was quite at home on the stage and was easily first favourite. Her singing of "Molly Molyneux" was so agreeable that she had to respond to an encore, and she gave "Mr. Crocodile" in a very attractive style. Monsieur Curaçoa (Mr. White, of the Tamar) used his baritone voice to advantage in "The Longshoreman," and an encore being demanded he complied with "Devon, Glorious Devon," while Mlle. Creme de Menthe (Miss Logan) sang very sweetly "Bed-time at the Zoo." Then came Monsieur Vermouth (Mr. Wilkin) with his amusing rendering of "British Slavery," a song which depicts the eastern idea of certain phases of western life, such, for instance, as "men are put upon the racks till they pay their income tax." A trio was contributed by the Port Lights, "Little Silver Moonbeams." It was exquisitely rendered and an encore followed. The Buffs Band, which played charming selections at the opening and the close of the first part of the programme, contributed "Teddy Bears' Picnic" and "Miss Hook of Holland" in the interval. The second part of the programme was devoted to "The Gay Green Islanders," a little light sketch which gave plenty of scope for singing and dancing. Miss Parke and Mr. Wilkin were deservedly applauded for their clever delineation of certain aspects of London life. Miss Logan's sweet voice was particularly effective in the duet, "A basket of flowers," in which she was associated with Mr. Ayris, and three Port Lights roused the enthusiasm of the audience with their song and dance. The choruses were well taken throughout, and the very original programme was carried through without a hitch. The pianist was Mr. White.

THE CHINESE NAVY.

We learn from a Chinese contemporary that the Central Government proposes that the preliminary cost of the reorganization of the Navy, amounting to 18,000,000 taels, shall be raised by the Provinces in four years and that the annual expenditure of 2,000,000 taels be also contributed by them. The latest news regarding the re-organization of the Navy is that Prince Tsai Hsun and Admiral Sah have decided to begin with the building of battleships and cruisers, the opening of Naval Ports and the drafting of a code of Naval regulations. The first order for men-of-war and guns will be divided between Messrs. Arnhold, Karberg and Company and a Japanese firm. A Special Board for Naval Affairs will be established in the Spring of next year.

SUPREME COURT.

Monday, 13th September.

IN SUMMARY JURISDICTION.

BEFORE HIS HONOUR MR. H. H. J.
GOMPERTZ (PUISNE JUDGE).

SALVAGE DIFFICULTIES.

The Chan Tai Kee firm brought action against the Yui Hing Loong firm, Mongkok, to recover \$992.50 for damages for breach of contract, it being alleged that defendants sold to plaintiff a hardwood spar to be used as part of the plant for raising a sunken wreck but which was rejected as unfit for that purpose. In the alternative they claimed \$668.76 for breach of warranty. Mr. Davidson, from the office of Messrs. Hastings and Hastings, appeared for plaintiffs, defendants being represented by Mr. Leo d'Almada and Castro, of Messrs Goldring, Barlow and Morrell.

Arising out of this action was another, in which Shan Yu Nam sued Yui Hing Loong for the recovery of \$323.74, the value of a hardwood spar.

Mr. Davidson explained that the plaintiff had a contract to raise the steamer *Ying King*, which had foundered at Castle Peak. The method of raising was for four junks to be anchored above the sunken steamer and cables passed beneath the bottom of the ship and over the timbers, which take the whole strain. For this purpose timbers of a particular length were required, and to make up the number needed plaintiffs approached defendants and said they wanted a spar in order to proceed with their contract, and were willing to pay a good sum for it. A hardwood spar was sent to the scene of the operations, but plaintiff's foreman noticed that it had a crack in the centre. It was accordingly rejected and sent back.

Captain Douglas, marine surveyor, said he examined the log ten months later and found a crack in it.

Mr. d'Almada said his defence was that there was no contract, no warranty, and that the transaction was a sale outright, plaintiff seeing the log he purchased. Moreover, they denied that the spar was cracked.

After hearing evidence the case was adjourned till Friday.

CHEAP LIVING.

Some interesting facts emerged during the hearing of the action by Pong Fook, of Hai-phong Road, Kowloon, against E. Hyndman, Jr., 16 Old Quarters, Kowloon Dock, Hungghom, claiming \$43 for meals supplied. Mr. J. H. Gardiner appeared for plaintiff and Mr. P. Hind, of Messrs. Brutton and Hett, acted for defendant.

Mr. Gardiner said the plaintiff was a caterer who supplied meals, and defendant was one of his customers. An account for \$61 was run up and plaintiff succeeded in getting \$18 after much pressure.

Defendant said that the arrangement was for \$33 a month for meals supplied to himself and his wife. Plaintiff said he could give them a meal for 25 cents.

Cross-examined:

Do you mean to say he could feed you, who came to your meals hungry, for 25 cents a meal?—He told me he could give meals for less than that. He told me if he had known I could not pay him \$61 he would have given me different "chow."

How many courses did you have?—Three.

What were they?—Fish, steak, ham.

No sweets?—No.

Not for dinner?—No.

Fruit?—Sometimes; when I asked for it.

The arrangement was to pay at the end of the month?—Yes.

You did not pay him?—No.

You are a business man. You have seen promissory notes?—Yes, but not in Hongkong.

How long have you been in Hongkong?—

Over a year.

Don't you know a promissory note requires a stamp?—I only knew lately.

His Lordship—Where did you come from?—Shanghai.

Didn't you know a promissory note requires a stamp?—I never saw one before.

That sounds incredible that a business man should not know anything about a promissory note.—I never dealt with them.

It is not necessary to deal with them?—I didn't know they must have a stamp.

You put your full name and address on this document?—Yes, so that he could get admission to the Docks.

That is not usual in promissory notes.—He asked me to put it down.

Plaintiff, in answer to his Lordship, said he kept his accounts on a piece of paper. He kept no books. He added that he catered for ten people.

Eventually his Lordship gave judgment for plaintiff for the amount claimed, to be paid in instalments of \$20 a month.

Tuesday, 14th September.

IN ORIGINAL JURISDICTION.

BEFORE THE CHIEF JUSTICE (SIR
F. PIGGOTT).

A DEPORTATION CASE.

Mr. M. Slade, instructed by Mr. John Hastings, of Messrs. Hastings and Hastings, appeared to move for a writ of *habeas corpus* in respect of Sung Yau Chi, a Chinese woman detained in Hongkong gaol, and who, according to a declaration made by her brother, had lived all her life in Hongkong.

Mr. Slade moved for a rule directed to the Captain Superintendent of Police to show cause why he should not bring up the body of Sung Yau Chi before the Court to be discharged from custody. She was arrested three days ago on an administrative warrant. An order for banishment had been made against her, but no legal proceedings had been taken. She had simply been arrested and was detained not actually in gaol but at the Central Police Station. An order banishing her for five years had been made against her and she was about to be deported from the Colony. There were several Ordinances dealing with the question of banishment, the most important being Ordinance 1 of 1892, section 4 of which gave the Governor-in-Council power to banish an alien for five years. Under the Gambling Ordinance the Governor-in-Council had power to make an order of banishment for such period as he might think expedient against any alien who was a professional gambler or who was engaged in the promotion of gaming. The reason given for the deportation of this woman was that she was concerned with gaming. Both of the sections quoted confined the power of banishment to aliens, persons not being natural-born British subjects. The affidavits made it clear that she was born in Hongkong. She was born before registration.

His Lordship—How are you going to prove it?

Mr. Slade—With the assistance of the brother and such other members of the family as can be found. I submit the onus of proof is on the Crown.

His Lordship granted the order and fixed the hearing for Thursday.

AN EXECUTOR'S CLAIM.

Ng Tek Tong, merchant, of 77, Bonham Strand West, brought action against Wong Cheung Cho, of 35, Bonham Strand West, claiming as executor, under the will of Ng Kim Wan alias Ng Kim Guan, to have an account taken of the partnership dealings between the deceased and the defendant in the business of the Yuen Shing firm, of which business defendant was managing partner.

Mr. M. W. Slade instructed by Mr. C. E. Beavis, appeared for plaintiffs, and Mr. Eldon Potter, instructed by Mr. P. M. Hodgson, appeared for defendants.

A statement filed by plaintiff stated that Ng Kim Wan, a partner with defendant in the business, owned a quarter share of the business. Ng Kim Wan died on October 27th, 1899, but since his death no winding up of the business had taken place. In 1903 an account of the partnership dealings and of the profits due to the estate of the deceased was rendered to the family, showing \$17,792.74 to be due to the estate. No portion of that money had been paid, though repeated applications had been made, and neither had any account been furnished of the partnership dealings since that year.

The defence set forth was that after the death of Ng Kim Wan the business was carried on by the surviving partners with the consent of the family of the deceased, and that every

year an account was taken of the assets and liabilities of the firm and rendered to the family of the deceased. The firm ceased to carry on business after February, 1904, but the signboard was retained for the purpose of getting in outstanding debts. The business was wound up with the consent of the partners and it was found impossible to collect the debts due to the firm, which could not meet its liabilities. The original capital, amounting to \$40,000 was not only lost, but there were liabilities and debts due by the firm amounting to £7,000.

Mr. Slade contended that on the death of Ng Kim Wan there was a debt due by the firm which could only have been discharged by a settlement.

His Lordship thought it was a case of "Heads I win; tails you lose." If the representatives of the deceased chose to leave the money in the business they did so in the hope of securing further profits.

Mr. Slade said they were in the position of debenture holders. He further argued that where a sum of money invested in a firm is declared by Act of Parliament to be a debt it requires some specific and definite agreement to be arrived at between the creditor on the one side and the debtor on the other to turn that debt into something entirely different. To hold, as his Lordship had done in a former case, that by merely leaving the money there the deceased or his executor was deemed to have sacrificed his legal rights was to override by judicial decision the plain words of the Act of Parliament.

Mr. Potter contended that a new partnership was carried on from the time of Ng Kim Wan's death until 1904. In that year one of the sons of deceased was a partner in the business, and he could produce evidence that after the death the partnership was carried on with the consent of the family and that one of the sons drew the interest which the estate was entitled to every year. In 1904 the family, seeing they were likely to lose money, withdrew from the partnership, and now they came before the Court and said they were entitled to their capital of \$11,000, notwithstanding that all the capital had been lost.

His Lordship reserved his decision.

ANOTHER HABEAS CORPUS APPLICATION.

Another application for *habeas corpus* was presented by Mr. M. W. Slade, instructed by Mr. Otto Kong Sing. In this the Captain Superintendent of Police was called upon to show cause why Sun A Wan, at present detained in Victorial Gaol, should not be delivered from custody. A rule nisi had been previously granted and the case came on for hearing. Mr. C. G. Alabaster, instructed by Mr. H. L. Dennys, appeared on behalf of the Acting Attorney-General (Sir Henry Berkeley K.C.), to show cause.

The affidavit signed by prisoner was to the effect that on June 10th last he was arrested on charges of armed robbery and murder alleged to have been committed in China. He was brought before Mr. J. R. Wood, and remanded from week to week until July 9th, pending, as he believed, the arrival of witnesses for the prosecution. On July 9th he was brought before the Magistrate for the purpose of identification, but of the two witnesses called for the prosecution one failed to identify him and the other was doubtful as to the identity. Subsequently he was informed through his solicitor that it was proposed to discharge him on the charge of murder. On August 4th he was brought before the Magistrate, presumably to be discharged, but he was again remanded because the necessary requisition for his surrender had not been made by the Governor. On August 10th he was discharged on the charge of murder. The Court sat within the precincts of the gaol and not in the Police Court. Immediately after he had been discharged and while still in custody at Victoria Gaol he was arrested on the charge of armed robbery. Prisoner denied both charges and claimed to be a political reformer.

Mr. Dennys stated in his affidavit that the sittings were held in gaol entirely for the benefit of the prisoner, who was arrested in gaol in the presence of the Magistrate and two solicitors with the object that he might not be seen by witnesses in the other charge before identification. No evidence was brought before the Magistrate to show that prisoner had ever been a political

offender or that the Chinese authorities wished to punish him for a political offence.

Mr. Slade said the Crown had the man illegally in custody and did not execute the warrant in a proper manner. The man never was discharged, and the warrant was executed upon him while he was in custody.

His Lordship remarked that a Magistrate could sit in a Court only.

Mr. Alabaster—The Ordinance says room or building. It says nothing about a Court.

His Lordship—But the Magistrate cannot turn a room into a Court without authority.

Mr. Alabaster—There is nothing in the Magistrates' Ordinance which appoints a Magistrate to sit in a Court only.

Mr. Slade—This was not a Court. It was only a courtyard.

His Lordship—The prisoner cannot be held to be discharged while he was yet in prison.

Mr. Alabaster—He was just as free as the Magistrate. The Magistrate was in prison and the solicitors were in prison, but they would certainly consider themselves free.

His Lordship—A man is not discharged until the terror of the law is removed from him. The terror of the law exists for the man while he is in prison, and he is not free from it until he is out of it.

Mr. Alabaster—A man can be arrested in prison, my Lord.

His Lordship—I am not sure. That is another matter.

Mr. Alabaster—The Court sat in prison for the prisoner's benefit.

His Lordship—But it was utterly illegal.

When the Chief Justice asked later what steps had been taken to create a Court in Hongkong, Mr. Dennys replied that the Court had moved into the Masonic Hall and into Jardine's buildings, but no proclamation was ever made. He believed a notice was inserted in the *Gazette*.

His Lordship said there should have been a proclamation. It was a most extraordinary thing.

Mr. Slade argued that there could be no double arrest. The first arrest continued until the man was released.

His Lordship—You cannot change the cause of arrest in prison. There must be a period.

Mr. Slade—An intervening moment. It is always done with most scrupulous care. It is a farce. The man is allowed to go outside.

Mr. Alabaster—For another reason. That is because it would be contempt of court to arrest him in Court.

His Lordship—No, no.

Mr. Slade—The man is allowed to go outside the Court.

His Lordship—He must have a free moment.

Mr. Slade—It must be a moment when he is technically free from restraint.

Mr. Alabaster—I make the point that there was a free moment.

Mr. Slade—Locked doors.

Mr. Alabaster—He was not in custody.

His Lordship—He was in prison.

His Lordship indicated that he would announce his decision before he delivered judgment.

Wednesday, September 15th.

IN BANKRUPTCY JURISDICTION.

BEFORE THE CHIEF JUSTICE
(SIR F. PIGGOTT).

UNSUCCESSFUL SPECULATION.

Re So Yut Sang, Mr. Fletcher, Deputy Official Receiver, said an order had been made by the Court calling upon the debtor to show cause why he should not be imprisoned for misdemeanour. It was alleged that while knowing himself to be insolvent he had incurred debts when he had no possible expectation of being able to pay them. He did not wish to press for imprisonment, as the debtor had explained that he had large dealings in landed property and he had a reasonable hope that if land values had risen he might have been able to pay his debts.

Debtor's discharge was suspended for two years.

WHOLESALE TIMBER DEALER'S FAILURE.

Sung Cheong Chi came up for his public examination. In reply to the Official Receiver he stated that the business was handed down to

him from his father and that his indebtedness amounted to about \$30,000 and his assets to about \$5,000 or \$6,000. He denied having removed any of his stock when he knew he was insolvent in order to place it out of the jurisdiction of the Court.

The Official Receiver said that the assets, consisting of book debts, were fairly good.

Mr. F. X. d'Almada applied for costs on behalf of a creditor who had protected the estate. They had discovered that timber was being removed and obtained an attachment.

After discussion His Lordship awarded applicant \$25 and out of pocket costs.

AN UNFORTUNATE SURETY.

In the examination of Yuen Lau Hin, who carried on business as a building contractor under the name of the Loong Hing firm, it transpired that he attributed his failure to having become surety in \$5,000 for the comprador to the Robinson Piano Company, who had absconded.

Mr. F. X. d'Almada also applied for costs in this action for having taken steps to protect the estate, but on hearing a statement by the Official Receiver he withdrew his application and the debtor was adjudged bankrupt.

Thursday, 16th September.

IN ORIGINAL JURISDICTION.

BEFORE THE FULL COURT.

THE ICE CASE.

Judgment was delivered by their Lordships in the action in which the Hongkong Milling Company, of which Mr. H. Percy Smith is liquidator claimed \$100,000 from Arnhold, Karberg and Co. for damages, for alleged failure to supply an ice-making plant according to stated requirements. Sir Henry Berkeley, K.C., and Mr. M. W. Slade, instructed by Mr. John Hastings, appeared for plaintiffs, defendants being represented by Mr. MacNeill, from Shanghai, and Mr. G. C. Alabaster, instructed by Mr. H. W. Looker, of Messrs. Deacon, Looker and Deacon.

The Puisne Judge delivered a lengthy judgment, in the course of which he dealt with the meaning of the word "clear" as appeared in the warranty, and said there was as far as he could see no evidence at all that the adjective "clear" had in the ice trade any other than its ordinary meaning. It would certainly be difficult to say from a certain passage in Borsig's catalogue whether the words "clear" and "transparent" were opposed to one another or not. On the whole he was inclined to think they were not. The suggestion made on behalf of the defendants amounted to this, both parties to the contract were well aware that all can ice was inferior to plate ice. They knew that the Hongkong Ice Company made plate ice which had no core, and that Borsig's plant produced can ice which had a core. When they agreed the one to sell and the other to buy a can ice plant warranted to produce ice equal in clearness to that of the Ice Company, they had in contemplation that it would produce ice of an entirely different kind from, and for clearness in no way comparable to, the Ice Company's ice. It would follow, from this that when Mr. Rennie made his contract with Jardine, Matheson and Company and gave a similar warranty of clearness for the ice he was to supply, he knew perfectly well that it was a warranty he could never fulfil. He (the Puisne Judge) could not put this construction on the language used and be unable to believe that the parties meant what the Court was asked to suppose they did mean. His much was at any rate certain, either they did not really know very much about the different systems of ice plant and their respective products and were content to give and receive guarantees in a somewhat unbusinesslike manner, or they used words in a sense very different from the usual meaning of those words, or they really believed, whether wisely or prudently or not, that with an up-to-date and scientifically constructed can plant they could turn out ice as clear and transparent in every part as the best plate ice. He was inclined to accept the last of these three alternatives. His Lordship said that after some little hesitation, which he no longer

felt, he had come to the conclusion that the ice produced by the Milling Company's plant was not as clear as that of the Hongkong Ice Company. It seemed to him that the warranty must be construed to cover whole blocks as turned out, though it might be possible by minute sub-division to get flakes of ice from the can plant as clear as that of the Ice Company. Referring to the tests, his Lordship said the Milling Company's ice was less solid than the Ice Company's and he must therefore hold it to be inferior in staying power and consequently in merchantable quality. It followed that the ice produced did not therefore come up to the warranty and he found this as a fact. The plaintiffs never got the ice they bargained for, and he saw no reason why they should be obliged to take a quality of ice entirely different to that for which they had contracted and which they did not want. To put a new sort of ice of inferior keeping quality on the local market in the face of the powerful competition of the Ice Company was a speculation on which they were not called to embark, at any rate at their own risk. The next question was to the damages which plaintiffs were entitled to recover. There was a clear breach of warranty, and the plaintiffs had claimed for the full price paid for the ice plant, including cost of installation, giving credit for the estimated present value of the plant. This they were entitled to do, or, in the alternative, to return the plant to defendants and recover its cost in full. The plaintiffs were, however, claiming as special damages the loss of profit on their contract with Jardine, Matheson and Company, not for the whole term of the contract, but for five years. As to that point their Lordships were still in some difficulty, and they reserved it for further consideration.

The Chief Justice said—I am in general agreement with what has been said in this case by the learned Puisne Judge, but I have to make a few remarks on the way in which the case was conducted. A judge's view as to the conduct of a case must affect his judgment, and in this instance the way in which the case was conducted accounts so far as I am concerned for the delay in delivering judgment. I have delayed as long as I could in order to allow impressions to wear off. Now I am not going to deliver a homily on the way to conduct a case, but what I have to say must be said, and I hope it will be taken in good part and for guidance in the future. The case was fought with an acrimony which was absolutely unnecessary. If there ever was a case which should have been fought with sobriety it was this. There were general aspersions made, and made especially by the junior counsel for plaintiff, who in this case seems to have usurped the position of his leader without the permission of the Court. It was a "lawyers' defence." Defendants took, as they were justly entitled to, every possible defence in law. It was tactfully and most ably conducted. Then there was a general statement that facts were being manufactured by the defendants. Counsel are bound by their instructions. There was, I know, a peculiar difficulty in this case because of Mr. Rennie's lamented death, but this does not justify suggestions of other facts. His Lordship then examined the evidence in detail, and expressed the conviction that Mr. Rennie had some knowledge of the manufacture of ice, and that there was a contract between the two parties by which defendants were bound. The only other question which seemed to arise was the question of warranty, and here they must take the wholesale trade and look at it as a question of blocks of ice—that was, were the blocks produced by the can system as clear as the ice of the Ice Company. They were not. He could not disguise from himself the fact that although ice for ice they were about the same, perhaps the can ice was a little more brilliant. The needles did interfere with the passage of light through it and made it less transparent. In conclusion, he held that the case for the plaintiffs was made out, and said the Court had yet to consider the question of special damages. It was a question they could not at present agree upon, but they hoped in the course of the next week to do so, when they would add it to their judgment in chambers. For the present judgment would be for plaintiffs with costs of the machine, exclusive of the question of profits, which would be referred to the Registrar to report. They would add to their judg-

ment in chambers whether they could allow special damages or not.

Mr. Alabaster asked for a stay of execution. The Chief Justice thought the best plan would be to allow the matter to stand over until the question of special damages had been settled, and then make such application as might be considered necessary.

MASTER AND SERVANT.

AN IMPORTANT DECISION.

At the Magistracy on Wednesday Mr. F. A. Hazeland delivered his reserved decision in the case in which Nur Din, an Indian tailor from Murray Barracks, summoned Gholan Uber, master tailor of the 88th Co., R.G.A., for absenting himself from complainant's service at the end of July this year.

Mr. F. C. Barlow (of Messrs. Goldring, Barlow and Morrell) appeared for the complainant, and Mr. Reader Harris (of Messrs. Wilkinson and Grist) represented the defendant.

On the first point as to whether the defendant was entitled to avoid his contract, his Worship said that there was no direct case as to whether a servant was entitled to avoid his contract on non-payment of wages. The rule of law laid down in the *Mersey Steel and Iron Co. and Naylor, Benson and Co.* was in his opinion applicable. Lord Justice Blackburn in that case stated as follows:—"The rule of law as I always understood it is a contract in which there are two parties, each side having to do something. If you see that the failure to perform one part of it goes to the foundation of the whole, it is a good defence to say, 'I am not going on to perform my part of it when that which is the root of the whole, and substantial consideration for my performance, is defeated by misconduct'." His Worship was therefore of opinion that the defendant was entitled to avoid his contract of service. As to whether the complainant told the defendant he could go, his Worship thought it was not necessary for him to decide that point. He thought it highly improbable that the complainant would have told the defendant to go. Regarding the question of deduction of wages, he thought that there ought to be a deduction made for the time that the defendant was away. He could not agree with the view put forward by Mr. Harris that there must be either payment or dismissal. He thought the correct view to take on this point was that the defendant, having been taken back, there was an implied consent to this deduction. Regarding the point in which the complainant accused the defendant of stealing money, the Magistrate said the complainant had failed to prove this part of the case. It was highly improbable that the defendant would have taken it, having regard to the large sum due to him. His Worship found as follows:—

(a) The charge against the defendant for absenting himself is dismissed.

(b) I order the complainant to pay rupees 144 to the defendant.

SMUGGLING OPIUM INTO THE PHILIPPINES

One of the largest fines ever imposed for violation of the opium law was given a few days ago in Cebu by Judge Parades. The case was against a Chinaman Look Chau, charged with having opium in his possession and with having sold part of the same. Under the first charge a fine of P10,000 and five years in jail was given and he was fined P2,000 and sentenced to two years in jail on the second case. Look Chau has appealed both cases.

The opium in question was smuggled into Cebu on the steamer *Errol* from Hongkong via Manila. The Chinaman succeeded in eluding the authorities in Manila, but was caught in Cebu on August 18th with 96 cans of the drug in his possession. When caught he was trying to dispose of the opium to a Filipino.

Snipe are reported to be now more plentiful around Shanghai than they have been; they are just beginning to return to their former favourite haunts.

THE AMERICAN TARIFF AND THE CHINA TRADE.

Wednesday's mail from America brought for the Consulate General an official copy of the new tariff. The trade with China seems to be but little affected by the new law.

The famous and long-standing ten-cent controversy in the matting trade is definitely settled. Formerly matting of a value not exceeding 10 cents (gold) per square yard paid a duty of 3 cents per yard, and matting of a greater value than 10 cents a yard paid a duty of 7 cents plus 25 per cent. ad valorem. Owing to fluctuations in exchange, disputes over the proper rate of duty for what is known in the trade as 116 warp matting were frequent. Under the new law there is a uniform rate of 3½ cents on straw matting imported from China, Japan and India.

Apparently the only other change bearing upon the trade in this part of the world is under the heading of silk. The duty is reduced from 40cts to 35cts on silk partially manufactured from cocoons or waste silk and not further advanced or manufactured than carded or combed silk. Raw silk in skeins reeled from the cocoon but not wound, doubled or twisted in any way is free, as before; so also are silk cocoons and waste silk. Other articles on the free list are:—coffee and tea, joss sticks, aniseed and aniseed oil, soya bean oil, nut oil, cassia and cassia oil, and ginger root when unground or not preserved or candied. No change has been made in the tariff under the following heads:—(amphor, earthenware, rice, bristles, firecrackers, fans (including common palm leaf undecorated), and human hair (not manufactured). Tin ore and cassiterite, black oxide of tin and tin in bars, pigs or granulated (in which there is a small export trade to America from Hongkong), is admitted free as before with the proviso that as soon as the mines of the United States produce one thousand tons of black oxide of tin bar block or pig tin per year there will be a duty of 4 cts. (gold) per lb on each item under this heading.

An important clause in the Act is the following:—

Sec. 2. That from and after the thirty-first day of March, nineteen hundred and ten, except as otherwise specially provided for in this section, there shall be levied, collected, and paid on all articles when imported from any foreign country into the United States, or into any of its possessions (except the Philippine Islands and the islands of Guam and Tutuila), the rates of duty prescribed by the schedules and paragraphs of the dutiable list of section one of this Act, and in addition thereto twenty five per centum ad valorem; which rates shall constitute the maximum tariff of the United States: Provided, That whenever, after the thirty-first day of March nineteen hundred and ten, and so long thereafter as the President shall be satisfied, in view of the character of the concessions granted by the minimum tariff of the United States, that the government of any foreign country imposes no terms or restrictions, either in the way of tariff rates of provisions, trade or other regulations, charges, exactions, or in any other manner, directly or indirectly, upon the importation into or the sale in such foreign country of any agricultural, manufactured, or other product of the United States, which unduly discriminate against the United States or the products thereof, and that such foreign country pays no export bounty or imposes no export duty or prohibition upon the exportation of any article to the United States which unduly discriminate against the United States or the products thereof, and that such foreign country accords to the agricultural, manufactured, or other products of the United States treatment which is reciprocal and equivalent, thereupon and thereafter, upon proclamation to this effect by the President of the United States, all articles when imported into the United States, or any of its possession (except the Philippine Islands and the islands of Guam and Tutuila), from such foreign country shall except as otherwise herein provided, be admitted under the terms of the minimum tariff of the United States as prescribed by Section one of this Act. The proclamation issued by the President under the authority hereby conferred and the

application of the minimum tariff thereupon may, in accordance with the facts as found by the President, extend to the whole of any foreign country, or may be confined to or exclude from its effect and dependency, colony, or other political subdivision having authority to adopt and enforce tariff legislation, or to impose restrictions or regulations, or to grant concessions upon the exportation or importation of articles which are, or may be, imported into the United States. Whenever the President shall be satisfied that the conditions which led to the issuance of the proclamation hereinbefore authorized no longer exist, he shall issue a proclamation to this effect, and ninety days thereafter the provisions of the maximum tariff shall be applied to the importation of articles from such country. Whenever the provisions of the maximum tariff of the United States shall be applicable to articles imported from any foreign country they shall be applicable to the products of such country, whether imported directly from the country of production or otherwise. To secure information to assist the President in the discharge of the duties imposed upon him by this section, and the officers of the Government in the administration of the customs laws, the President is hereby authorized to employ such persons as may be required.

CHINA AND JAPAN.

THE MANCHURIAN AGREEMENT.

The following is a summary of the Agreement signed at Peking on Sept. 1, regarding Manchurian controversies:—

1. Chientao—Tumen River, and in the east of Moshan, Shihyishui shall be the boundary lines between China and Korea. China agrees to open Lungtsingsun, Chuitzuchieh, Toutaokou and Paitsaokou, in Chientao, for foreign trade, and recognizes the right of Koreans to reside in a limited district there.

China consents to Japan's establishing Consulates and their branch offices in the above named ports.

Koreans residing in the said district shall be placed under the Chinese jurisdiction. The Japanese Consul or his deputy having the right of sitting at the Court as he may please. The Chinese Government shall, in future date, extend the Kirin-Changchun Railway to Hoinin, where it will be connected with the Korean Railway. The details thereof shall be arranged between the two countries following the precedent of the agreement regarding the Kirin-Changchun Railway.

2. Fakumen Railway.—China agrees not to build the Fakumen Railway without the consent of Japan.

3. Tashichiao Railway.—The Tashichiao Railway is recognized by China as a branch line of the South Manchurian Railway. China agrees to the extension of its terminus to Yinkow.

4. Peking-Mukden Railway.—As to the extension of the Peking-Mukden Railway into the native City of Mukden, it shall be settled after negotiation between the officials and experts of the two countries.

5. Fushun and Yentai Mines.—China concedes to Japan the right of working the Fushun and Yentai coal mines. Japan, on the other hand, shall respect China's sovereignty and pay a royalty. China consents to impose a minimum export duty for the output of coal.

6. Other Mines.—As regards the mines along the Railway, the matter shall be arranged in accordance with the principle arrived at previously between the Viceroy and the Consul-General at Mukden.

FIRST FREE SUGAR FROM THE PHILIPPINES.

What is destined to be the first shipment of Philippine sugar to leave the Philippine Islands for free entry into the United States left Iloilo on September 5 on the steamship *Lismore*. A cargo of 5,000 tons of sugar was the extent of the first shipment, and the *Lismore* sails from Iloilo to New York with it. It is reported on the Iloilo sugar exchange that two other foreign vessels will arrive there next week to take the other shipments to New York.

LOCAL SPORT.

FOOTBALL NOTES.

With the first Annual General Meeting of the H. K. F. A. the season 1909-10 has commenced. Judging by the attendance at the meeting the benefits to be derived from an association seem to be fully realized. The prospects of the clubs are good, in some cases never have they been better, and although it is to be regretted that the Y.M.C.A. are not entering a team in the league, the gap is filled with the forming of a new team in Kowloon, another ground is brought in to relieve the pressure. Most of the Y.M.C.A. players of last season are already booked for other clubs. In dealing with the prospects of the various clubs where any changes have taken place the club played for last season will be shown in brackets against the players' names.

HONGKONG FOOTBALL CLUB.

Our premier combination are looking forward to their first season of league football with confidence. Most of the players who have served them so well of late years have promised to again don the white, and McCubbin (Y.M.C.A.) and Acheson (Y.M.C.A.) are also booked. This with a reserve of good "Have Beens" and young players should keep the club in a good position in the league table.

KOWLOON FOOTBALL CLUB.

The fact that the K.F.C. have entered the league and secured the services of such players as Browne (H.K.F.C.), Mead (H.K.F.C.), Storrie (Y.M.C.A.), Weaser (Y.M.C.A.), and Clements (Y.M.C.A.) would naturally lead one to suppose that we shall have a strong team on the other side of the harbour, as players would hardly give up their places in clubs of good standing to join any other than a strong team. What the actual personnel of the team will be remains to be seen, but the services of several players who have not yet taken part in Hongkong football is assured.

NAVAL YARD FOOTBALL CLUB.

The Yarders are looking forward to a prosperous season, and with all last season's players to hand and in training hope to improve on their past performances. Glover, their popular half-back and Secretary of last year, leaves the Colony in October, and his place will be hard to fill.

LUSITANO FOOTBALL CLUB.

The L. F. C. have decided not to run a team for the league this season. This club is more fortunately favoured in the number of players to select from than any other club in the Colony, but they realize that quality in football is before quantity, and have wisely decided to forego the privilege of playing the Senior teams for the present. They hope to enter the Hongkong Shield competition when the time comes, and have also promised to support any attempt made to form a Junior League.

B.Y.'S OWN CLUB.

The B.O.C. F.C. have decided that in the event of there being no Junior League they will again enter the Senior League. Last season the Boys finished third from the bottom of the league, and during the latter end of the season gave exhibitions of the game which must have afforded every satisfaction to their supporters. In football, however, a certain amount of weight is required, and the Boys, realizing this fact, would prefer to compete in a second division of the league for at least one season.

MOSLEM FOOTBALL CLUB.

The M. F. C. have entered the Association, but do not intend applying for admission to the league. The H. K. Shield will give them an opportunity to match themselves with the Senior teams, and it may be that some other competitions will be initiated this year to encourage the younger teams.

NAVAL AND MILITARY.

The prospects of the Military teams are good so far, and will be dealt with next week. The Naval teams are unable to join the local league, but they have formed a league of their own. Their prospects will be dealt with on their arrival at the station.

GENERAL.

The examination and registration of referees is receiving the attention of H.K.F.A. All who intend to qualify at the first examination

should lose no time in securing Referees' Guides and studying them.

Although the motion of Sapper Heigh, re the general subscription from Army and Navy teams, was withdrawn for a year, the two following motions, viz., being allowed to play the Camerons, and allowing ships to join within 10 days from notification from the Secretary, clearly showed that the very contingencies which the motion, of Sapper Heigh was made to cover had already arrived.

If the League Committee are in any way short of funds, they would be well advised to try and arrange with the H. K. F. C. and K. F. C. to erect open stands near their fields. This procedure would not be without precedent, as the Shield committee erect an open stand near the club ground every year.

REFEREE.

HONGKONG CRICKET LEAGUE.

The annual general meeting of the Hongkong Cricket League was held at the pavilion of the Hongkong Cricket Club last evening. Mr. T. E. Pearce presided over a fair attendance of members, representing various cricket clubs in the League.

Mr. A. O. BROWN, acting hon. secretary, read the notice convening the meeting.

The CHAIRMAN said the accounts were very simple, and he had nothing further to say in reference to them. The season had been a very successful one. He would therefore propose the adoption of the report and accounts.

Mr. BIDEN seconded, and the motion was agreed to.

The following officers were elected:—President, Hon. Dr. J. M. Atkinson; Vice-President, Mr. W. Drew Braidwood; Secretary and Treasurer, Mr. A. E. Asger. Mr. Brown undertook to carry on the work until Mr. Asger's return.

The SECRETARY proposed that the management of each club should be allowed to please itself what and how many fixtures it arranged so long as it arranged and played at least every club once, and not more than one club twice.

Mr. LANGLEY seconded.

Mr. ROBINSON proposed as an amendment that the League should carry on as it had done in former years.

Mr. BIDEN seconded.

The original motion was agreed to.

It was arranged that a League XI. should play two test matches against the Hongkong Cricket Club during the season. Dates will be fixed later.

The matter of forming a second division of the League will be considered at a special meeting of the junior clubs to be called in October.

The time of starting league matches was fixed for 2.15 p.m. and entries are to close on September 25th.

The meeting to arrange fixtures will be held on 27th instant.

This was all the business.

CHINESE TRADE AND SILVER.

Some interesting remarks on Chinese trade and its effect on the silver market appear in a recent circular issued by Messrs. Samuel Montagu, of London. They say: "It is reported officially that the foreign trade with China indicates that the excess of imports into that country over exports dwindles year by year, and that the excess for 1908 is smaller than any since 1900. Apparently a change is taking place in the industrial conditions of the Chinese Empire, which not only must produce far-reaching effects beyond its borders, but also by disturbing the balance of trade will demand silver in increasing quantities for the adjustment of such balance. At each Chinese port there is a decrease in the import of opium; this is a loss to Indian trade, but a desideratum to all well-wishers of China—if not accompanied with increased cultivation of that drug within the country itself. This fact of decreasing imports is the key to the large lock-up of sycee in China, and also the heavy purchases of forward silver carried here from time to time on China account. It is not too much to say that at the present time, owing to an almost total absence of imports, China is gorged with silver."

OPIUM SUPPRESSION.

In the Spring of this year the Board of Finance appointed several officials to investigate the suppression of the cultivation of the poppy in the Provinces of Kiangnan, Anhui, Honan, Shantung and Shansi. They have now reported as follows:—With regard to Kiangnan, the cultivation of the poppy is confined to some fifteen districts within the Prefectures of Hwaingan, Suchow, Haichow, and Tungchow, of these the districts of Fung, Pei, Siao and Tangshan produce the most. In the year before last there were disastrous floods in Kiangnan and the authorities attributed the fact that people had not stored grain for such emergencies to the cultivation of the poppy, and at once issued proclamations for the suppression of the growing of the opium plant. Last year the area under cultivation was reduced by more than one-half, and this year it is reduced by quite 99 per cent. It can, therefore, be confidently hoped that the cultivation of the poppy will entirely cease in the Province of Kiangnan. The South of Anhui is not suitable for the cultivation of the poppy, and it is confined to the North. Most of it is grown in Fungyang Fu and Yingchow Fu, but small quantities are also grown here and there in the other districts. Since the proclamations for its suppression were issued last year the quantity grown has been reduced.

Opium is grown in most districts in Shantung, but the districts of Teng Hsien, Tsining, Kinhsiang and Tan Hsien produce the most. Last year the Governor of Shantung issued a proclamation suppressing the cultivation of the poppy, and he sent deputies to all parts of the province to make investigations with power to have all opium plants uprooted if they should find them. However, with regard to the three districts of Tsining, Kinhsiang and Tan Hsien, leave has been granted to the poor people to finish the present crop, as seeds have already been sown, and if they are forced to uproot their opium plants they would be deprived of their means of livelihood: but it has been made clear to them that they must cease growing during the second-half of the year. On the whole the area under cultivation in Shantung is much reduced as compared with former years.

In Honan the districts of Hsiayih, Shangkin and Yungcheng in Kweiteh Fu, and Hsu Chow, Siangcheng and Changkoh in Hsuechow Fu, produce the most opium for the market. Last Autumn the Governor of Honan ordered his subordinates to prohibit its cultivation, and this Spring he sent out deputies to make investigations with power to uproot all opium plants found growing. But a lot is still grown in the Yunging district, for the same state of things is prevailing there as in Tsining, Kinhsiang and Tan Hsien. The local authorities petitioned to let the people finish the present crop on condition that they are to cease growing entirely during the second-half of the year. As to the rest of the opium-growing districts if cultivation has not entirely ceased very little is grown.

Opium is grown practically all over the Provinces of Shansi. Since the proclamations for the suppression of the cultivation of the poppy were issued no more has been grown in the south, and although it has not been entirely suppressed in the north only very little is grown here and there on the Mongolian Border. —*Shanghai Times.*

THE P. & O. STEAMERS.

ABOLITION OF THE "HIGH TEA."

It will interest many readers to learn that the P. & O. Company have decided to abolish the distinction which has hitherto been maintained on their ships between first and second class passengers in regard to the evening meal. Instead of the "high tea," second-class passengers in future will have late dinner. The arrangement applies to both mail and intermediate steamers. Passengers travelling Home from the Far East, where late dinner is the rule for all classes, will welcome the decision. It comes into force on the outward steamers this month and the homeward ones in October.

THE TRADE OF AMOY FOR 1908.

Mr. Sundius, H.B.M.'s Consul at Amoy, in his annual report writes:—

Gross and net trade.—The gross trade of Amoy decreased in value from 3,060,942*l.* in 1907 to 2,516,127*l.* in 1908, and the net trade from 2,870,919*l.* in 1907 to 2,387,915*l.* in 1908. But the sterling figures are misleading, as there was a small increase in both the gross and net trade, when expressed in taels.

Shipping.—In shipping it is pleasing to record a continued advance in the figures of British shipping, not only in numbers and tonnage of sea-going vessels, but in value of cargo. The Japanese ships of the Osaka Shosen Kaisha have been running at a heavy loss, partly owing to the boycott and partly owing to the gradual progress made by the Chinese flag. The following table shows the percentage of values carried in sea-going ships:—

Flag.	Imports. Per cent.	Exports. Per cent.	Total. Per cent.
British ...	69.01	61.48	67.68
Japanese ...	18.22	12.80	17.28
Chinese ...	7.76	6.63	7.56
German ...	2.67	3.28	2.78
Other flags ...	2.34	15.81	4.70

The diminution in the number of foreign-owned inland water launches is to be noted, the cause being the exercise of greater care in the issue of foreign registers by the respective Consuls. The one important exception is the Spanish flag, the number of launches flying which has nearly doubled.

Imports.—The total value of foreign goods imported into Amoy in 1908 was 1,445,060*l.*, of which 95,193*l.* worth was re-exported, making the net value of the foreign imports 1,349,867*l.*, a big decrease on 1907. Articles of native produce were imported to the value of 836,086*l.*, of which 33,019*l.* worth was re-exported, leaving a net import of native goods of 803,067*l.*, a 50 per cent. increase on 1907. The import of kerosene oil continues to advance very satisfactorily, American being 77 per cent. above that of 1907 and Borneo 38 per cent. Sumatra oil shows a falling-off, owing to a large shipment having been delivered at the end of 1907. All other items, with the exception of grey shirtings and Turkey-reds, which show a slight increase, are either stationary or on the downward track.

Exports.—The district tapped by Amoy produces very little of any value. The value of the local exports in 1908 was 234,981*l.* as against 457,209*l.* in 1907.

Trade under transit pass.—The value of goods sent inland under transit pass continues to decrease rapidly, as evidenced by the following figures:—

	1905 £	1906 £	1907 £	1908 £
Inward	234,075	248,926	168,861	80,491
Outward	45,073	36,260	39,208	24,327
Total	279,148	285,186	208,069	104,818

Emigration.—The following table gives the number of emigrants from Amoy to the Straits Settlements and Rangoon during 1908. The number was affected by the fact that cholera made its appearance in Amoy in July, and quarantine was declared at Singapore against vessels proceeding from this port:—

Flag.	1907. Vessels.	1907. Pass'gers.	1908. Vessels.	1908. Pass'gers.
British ...	63	58,356	51	44,212
German ...	12	10,656	10	6,839
Dutch ...	15	9,094	3	1,571
Total ...	90	78,106	64	52,622

The addition of the States of Kedah, Kelantan and Trengganu, all practically undeveloped, to the Federated Malay States coupled with the unexampled advance in the price of plantation rubber, will probably create a considerably increased demand for Chinese labour in those parts. Amoy, being the chief source of such labour, should reap some benefit.

Openings for British trade.—The railway which is to connect Amoy with the manufacturing centre of Southern Fukien, Changchou Fu, has made very little progress. The directors have not yet decided to invite tenders for any of the necessary plant, but several

firms, British and others, have approached them with a view to placing orders for bridge material, rolling-stock, &c. All have met with an apparently favourable reception, but so far directors have not pledged themselves to any definite contract. The inference is that the capital required for such purchases is not forthcoming. There is no doubt that this railway will be constructed before long. There is one very important bridge, some 300 yards in length, which, from the nature of the bed of the river which it crosses, will have to have very deep and solid foundations. This will call for the best material and workmanship.

A project for lighting Amoy by electricity has been mooted for some time, but has not yet assumed any concrete form, probably owing to want of capital. Other projected schemes are the working of coal mines at Changchou as soon as the railway reaches that place, the dredging of the Changchou River, and the establishment of a porcelain factory on Quemoy Island. During the year under review a telephone service was established in Amoy City, and it is proposed to link up the system with that of Kulangsu by a submarine cable across the harbour.

General observations.—With the exception of opium, cotton, yarn, mineral oils and a small quantity of piece-goods, the trade of Amoy is entirely in the hands of Chinese and Japanese. The improvement of the harbour at Keelung in Formosa, and the consequent diversion of the tea trade from Amoy has been a severe blow to the European firms at this port. In 1908 of 446,000 half-chests of tea only 600 were transhipped at Amoy, the vast majority being shipped direct from Formosa to the United States. In former days every package would have passed through the hands of the merchants and shippers of this port. Firms which used to ship their tea by thousands of half-chests are now reduced to a meagre export of jonquil bulbs, which now constitute the most important item of the export list, although the amounts are not shown in the customs returns. Firms which had no shipping or banking business to supplement their particular trade have dropped out; all have had to reduce their establishments, and it is lamentable to those who knew Amoy in the days of its prosperity to see how house after house is passing into native hands. The one chance of rehabilitation lies in the possibilities of the port, the best harbour on the coast, being selected as the southern base of the Chinese navy. This has been in contemplation for some years. Should the idea materialise, extensive harbour works, such as docks, wharves, tidal basins, &c., would become necessary, the materials for which the Chinese would not be able to produce themselves, even if they were in a position to undertake the engineering work involved.

"CHINA FOR THE CHINESE."

ADVOCATES OF HOME DEVELOPMENT.

The trend of public opinion in China is well described by Mr. Consul-General Fraser in his report on the trade of Hankow for 1908.

The development of local industries in the three cities of Hankow, Hanyang, and Wuchang (he states) slackened in 1908, more than one of the new factories having to shut down and several becoming bankrupt. Yet there was no lack of fresh schemes to compete with alien imports, and so to check the draining away of China's wealth, which all classes, educated or uneducated, firmly believe to be the result of international trade, just as they are convinced that the rise in prices which culminated recently in a financial panic in most of the leading ports, is entirely due to the burden of the Boxer indemnity. This antagonism towards foreign trade is likely to develop with the progress of "constitutional government," as the local representative councils will be filled with the loudest advocates of "China for the Chinese" and the rules for membership expressly exclude native teachers and graduates of missions and missionary colleges.

It should never be forgotten that the outspoken policy of the native press is to recover the rights of which the foreign treaties have in their opinion robbed China, to abolish extra-territoriality and the alien management of customs and postal services, to revise the tariff so as to lighten export duties and to penalise

foreign imports for the encouragement of home industries, and to establish naval and military forces in order to defy all outside interference. This policy is held enthusiastically by the students trained in Japan and the teachers in the new schools; it is preached in the public lecture halls maintained by the provincial governments in their chief cities, and it has the approval of the semi-official Chambers of Commerce, which in this region at least are growing rapidly in influence and power, and to which the local officials more and more delegate the settlement of mercantile cases and trade disputes.

The financial crisis of the autumn gave the death blow to the comfortable theory of the good faith of Chinese dealers and compradores. Whether it be that the multiplication of foreign hong, not always well capitalised, has led to a lower stamp of men being employed as compradores, or that the wider spread of information has taught the native dealer to put his own immediate interest first, the fact remains that nowadays the Chinese dealer shows little scruple in seeking excuses for evading contracts when the market goes against him, while the comprador no longer feels any obligation to communicate to his employer information detrimental to his own interests. In addition the comprador of to-day takes expert advice on the terms of his engagement so as to ensure that there is no undue risk or obligation cast upon him, while the dealer, with the aid of his guild and of his acquaintance with exchange and foreign markets, drives the hardest possible bargain, and is rarely found willing to meet losses.

A favourite proposal for meeting the changed conditions of trade is the study of Chinese in order to enable the foreign merchant and his staff to contract directly with the native. This might obviate doubt regarding the terms of a contract, but it would not be any guarantee of the standing and credit of the native dealer and of the native bank whose order he tenders in payment, nor would ability to speak and read the language avail against a custom, such as was lately found to prevail in Hankow, by which native banks issued promissory notes for sums their customers promised to pay in before the notes fell due, and on failure of the customer to pay in the amount refused to take up their own unconditional promissory notes when presented by innocent foreign holders for value.

So long as Chinese banks can issue notes to unlimited amounts and their accounts are subject to no audit, and so long as the above custom of lending their credit obtains, it will remain necessary for foreign firms to have compradores well-secured and directly responsible for the failure of native banks and dealers to meet their obligations. And so long as any foreigners do not insist on being thus safeguarded so long will healthy trade development be endangered.

In Hankow the Japanese, relying on their racial advantages, have carried direct dealing and personal pushing of wares in the country districts to an extent beyond the power of any other foreigners, and they have even entered into competition with the native petty traders and peddlars, but it is open to question whether the results have been at all commensurate with their exertions.

THE JAPANESE MILITARY MANOEUVRES.

PLAN OF OPERATIONS.

We learn that the military forces which will take part in the coming autumn manoeuvres to be held in the North-East are the 2nd, 7th, 8th, 13th, and 14th Army Divisions, besides a reserve brigade to be formed by the 2nd Army Division. The plan of the manoeuvres this year has been changed at the suggestion of the War Office. It was pointed out that the Japanese Army has been well-trained in operations in hilly districts and that if the coming manoeuvres were carried out on the same plan as before, it would be merely a repetition of operations with which the troops are already well acquainted. It has consequently been decided to so amend the plan of operations as to include fighting on the plains, and the neighbourhood of Nasunohara has been selected as a suitable point. The coming manoeuvres will be on the largest scale ever held in Japan.—*Japan Chronicle.*

FAR EASTERN TELEGRAMS.

THE CHARGE AGAINST MR. BUTLER WRIGHT.

Shanghai, September 13th.

Mr. Butler Wright was brought before Mr. King, Police Magistrate to-day. Mr. Douglas, who had been instructed for the defence, asked the court to fix the amount of sureties for bail and so enable his client to return to Canton to explain matters requiring attention. His Worship said he proposed to return Mr. Wright to Canton in custody and he would apply for a consular warrant accordingly.

Shanghai, September 16th.

Mr. Butler Wright left for Hongkong to-day on board the steamer *Anhui* in charge of Detective Welch.

JAPAN'S IMPROVED PROSPECTS.

Tokyo, September 16th.

Count Katsura, the Prime Minister, speaking at the Bankers' Club, made an announcement regarding the coming Budget. There would be no increase in the naval and military expenditure, but there would be a material increase in the revenue, which would be largely devoted to decreasing taxation. The national finances were now on a sound footing, and the policy has been approved by the people at home and by financiers abroad. The relations between Japan and the Powers were now of the most desirable nature. The Anglo-Japanese Alliance still remained the bulwark and assurance of continued peace.

ANOTHER JAPANESE BOYCOTT THREATENED.

The Shanghai Taotai has issued a proclamation to the following effect:—The pending affairs in the Three Eastern Provinces have been duly negotiated between the Waiwupu and the Japanese Minister to Peking and have been concluded in general principle and will be amicably settled. However, bad characters have come to Shanghai at this time and are trying to incite people to boycott Japanese goods calling the acts as civilized measures of retaliation. They are simply trying to cause excitement and raise money for their own benefit. We heard of this some time ago and have strictly ordered the businessmen not to be tempted by them. Then the said bad characters have printed and circulated circulars advocating the boycott, which we deplore deeply. Shanghai is a great commercial town and the trade is quite considerable. At the same time there are many bad characters. Owing to disasters in various provinces goods are overstocked and there is commercial depression here. If there be any sign of boycott, such bad characters will take advantage of that and will cause trouble and the result will be very bad for trade. We have already ordered the arrest of the leader of the persons advocating the boycott and the persons who printed the circular, and at the same time we issue this proclamation to let all merchants and people know that they should peacefully engage in their own business to avoid any trouble without being tempted by young men who are quite ignorant. We will deal with any persons who act against law and order without leniency, and we hereby strictly prohibit anyone joining such illegal acts. This proclamation should be tremblingly obeyed without fail.

THE WORLD'S NAVIES.

A return of the naval expenditure of the principal naval Powers, ordered by the House of Commons, has been issued. It shows that the estimated naval expenditure of the United Kingdom for 1909-10 is £35,142,700, of which £10,353,825 is on new construction and armaments. For Germany the corresponding figures are £19,538,188 and £10,514,668; for France, £13,353,825 and £5,760,176; for Russia, £9,928,831 and £1,822,237; for Italy, £6,755,291 and £2,190,707; for the United States, £28,778,777 and £10,058,011; and for Japan, £7,202,823 and £2,949,381.

THE RECENT DEPORTATIONS FROM THE PHILIPPINES.

The admission of the Acting-Governor of the Philippines that he accepted the whole responsibility for the recent deportation of twelve Chinamen from the Philippine Islands, has not ended the discussion on the matter. The Manila *Cablenews* denies that the Governor had any power to deport these men, and concludes an examination of the law on the subject with the following recapitulation:—

Twelve aliens who were not subject to deportation by the laws of Congress, which alone has the power to authorize deportation, were seized by officials who were not authorized by Congress to make such seizure and deported by a procedure that was neither authorized nor sanctioned by Congress, in which the American "nation," through the Constitution, has vested the sole authority in the deportation of aliens.

INSURANCE CO. DEFRAUDED.

Shui Tung-lue, a broker, Yang Tuhzung, a shroff, and Woo Yen-woo, a shopkeeper, were charged at the Mixed Court, Shanghai, last Friday with having been concerned together with others, who were not in custody, in fraudulently obtaining the sum of Tls. 2,500 from the China Mutual Life Insurance Co., on June 2 last. Detective-Sergeant Thygeson stated that the first-named accused had told him that he had some land in the country, and that before he could repay the money due to the Insurance Company, he would have to sell his land. Shui was sentenced to nine months' imprisonment, Yang to three months and Woo to six months.

COMMERCIAL

IMPORTS:—

RICE.

HONGKONG, 17th September:—There have been a few arrivals. The prices are further advancing. Saigon, Ordinary \$5.05 to \$5.10
" Round, Good quality ... 5.10 to 5.15
" Long 5.15 to 5.20
Siam, Field mill cleaned, No. 2 ... 5.00 to 5.05
" Garden, " No. 1 ... 5.25 to 5.30
" White, 5.35 to 5.40
" Fine Cargo 5.50 to 5.55

OPIUM.

Hongkong, September 14th.

Quotations are:—

Malwa New	.....	\$1,150/1,150	per picul.
Malwa Old	.....	\$1,190/1,220	do.
Malwa Older	.....	\$1,230/1,260	do.
Malwa Very Old	.....	\$1,270/1,300	do.
Persian Fine Quality	.....	\$1,100/1,140	do.
Persian Extra Fine	.....	\$1,000/1,050	do.
Patna New	.....	\$1,000	per chest.
Patna Old	.....	\$1,080	do.
Benares New	.....	\$1,060	do.
Benares Old	.....	\$1,060	do.

HONGKONG, Sept. 15th.—We beg to continue our advice of the 2nd inst., since when the movements in our various Opium markets have been as follows:—

	Malwa	Patna	Benares	Persian
Stocks on the 2nd Sept., 1909—	1,887½	2,077	1,511	400
Sept., 7th Imports per C. <i>Apcar</i> —	150	60	—	—
" 10th " " <i>Ceylon</i> —	—	20	—	—
" 13th " " <i>Oceuntien</i> —	100	—	—	—
" 13th " " <i>Namsung</i> —	175	50	—	—
" 15th " " <i>Delta</i> 10	100	—	102	—
	1,897½	2,602	1,641	508
Less Exports to Shanghai ..	65	230	170	—
Less Exports to East and West Coast Ports including Local Consumption for the fortnight.....	145	517	225	36
Estimated Stocks this day ..	1,687½	1,855	1,240	472

Bengal.—The market has remained steady with a fair demand. We quote New Patna at \$1,097½; Old Patna at \$1,077½; and Benares at \$1,62½.

Malwa.—Steady at the following quotations:—New \$1,160/75; 2 years \$1,200; 3¼ years \$1,230/40; Older \$1,275/1,300.

Persian.—Small business doing at \$1,300.

COAL.

HONGKONG, August, 20th.—The arrivals of coal since the 10th inst. amounted to 20,100 tons of Japanese. The coal expected is 32,850 tons Japanese, 5,200 tons Hongay, and 7,700 tons North China. Quotations according to Messrs. Hughes and Hough's circular are as follows:—

Cardiff..... \$21.00 to 22.50 ex-godown, nominal.
Australian... \$10.50 to 12.50 ex-godown, nominal.
Yubari Lump... \$12.00 Nominal.
Miiki Lump ... \$10.50 to 11.00 ex-ship, nominal.
Moji Lump \$7.75 to \$9.50 ex-ship, steady.
Moji Unscreened \$6.00 to \$8.00 ex-ship, steady.
Akaike Lump ... \$8.75 to \$9.00 ex-ship, steady.
Labuan Lump ... \$9.00 ex-ship sellers.

YARN.

HONGKONG.—Mr. P. Eduljee, in his Report dated 17th Sept., states:—Throughout the fortnight the market has been quiet and particularly so during the last week. A general disinclination on the part of dealers to continue operations is apparent, but with sellers anxious to ease their holdings parcels, here and there, change hands whenever special inducement is offered. Business from first hands, consequently, has been trifling and confined chiefly to No. 10s. Prices are rather easier, but, at the same time, while importers are anxious to meet what meagre demand that exists there is no actual pressure to sell meanwhile. Receipts for the fortnight are comparatively very heavy, and stocks show a further considerable increase on last estimate. The market closes quiet. Bombay is reported strong but quiet. The scarcity and high price of cotton has brought the mill industry there to such a pass that in all probability there will be shortly an all round short time, if not stoppage of work, in spinning especially, thus boding more or less severe losses to manufacturers and dire distress to the mill operative. Sales of the interval aggregate 1,459 bales, arrivals amount to 17,101 bales, unsold stock estimated at 27,000, and uncleared yarn in second hands at 38,000 bales. Local Manufacture:—No business is reported. Japanese Yarn:—Neglected throughout. Raw Cotton:—There is no movement in Cotton whatever. Importations of both Indian and China descriptions have entirely ceased, and in the absence of any stock or transaction values may be considered more or less nominal. Quotations are: Indian, \$28 to \$36; Bengalis, and \$32 to \$38 Chinese. Exchange on Indian has fluctuated slightly, and closes to-day at Rs. 131½ for T/T and Rs. 131½ for Post. On Shanghai 74½, and on Japan 84½. The undernoted business in imported and local spinnings is reported from Shanghai during the fortnight ended the 11th instant, viz.:—Indian:—Continued quiet during the greater part of the interval, but an unexpected demand from the River Ports and Szechuan set in at the close, and about 4,500 bales changed hands at a slight advance. Estimated unsold and uncleared stock 68,500 bales. Japanese:—Total sales about 2,000 bales on the basis of Tls. 102½ to Tls. 108½ for No. 16s; and Tls. 116 to Tls. 120½ for No. 20s. Close strong. Local:—No business from first hands.

PIECE GOODS.

Messrs. Noël, Murray & Co. in their Piece Goods Report, dated Shanghai, 10th Sept., 1909, state:—The only satisfactory thing to advise is a welcome change in the temperature during the last day or two, which it is to be hoped betokens the end of our summer. It has been a long and trying one, and unfortunately not unattended by a good deal of sickness, the natives in the North, especially, suffering very severely. It is thought by some that this must account for a good deal of the trade depression at present—it certainly may have added to the unsatisfactory state it is in, but the chief reasons are undoubtedly the debased currency that has been issued all over the country and the consequent want of confidence as to the future. All over the world prices for commodities have steadily increased, but the earning powers of the masses have kept pace and preserved the balance. In this country it is different, the prices of everything, especially those imported on a Silver basis, are higher, but the wherewithal to pay for them is of less and less purchasing power. This must continue so long as the Provincial Authorities are allwed a free hand in issuing what are nothing more than token coins, that are not even accepted by the issuers in payment of official dues, except at a heavy discount. As was pointed out last week, this must lead to a crisis, and it is none too soon that the Government has now decreed that the further issue must

cease. But the mischief has been done and Foreign trade is one of the chief sufferers. The weak-kneed policy that is being pursued by the present British Government toward this country is having very unpleasant and damaging results. When a boycott of British trade can be allowed to be carried on, actually in a British Concession, without any apparent protest, and important concessions to British subjects, involving the sinkage of vast amounts of capital to be treated as so much waste paper, it is about time something was done of an international character to safeguard the interests of Foreigners in China. And now at a time when Importers have to face a market that is ten to fifteen per cent. below the present replacing cost the question of increasing the Duty comes up. Fortunately there is a saving clause in the treaties that prevents that being done until "likin" is abolished, though that contingency does not seem to be taken in account by London's leading paper. The settlement of the questions pending between China and Japan regarding Manchuria does not appear to meet with the approval of the Chinese in that Province, the Chamber of Commerce at Hsinmintun having actually suggested a boycott of Japanese goods as a protest. News from the Out-ports has been rather meagre, but if clearances count for anything the consumptive demand is keeping up fairly well. The sudden and unexpected weakness in Exchange seems to have caused a lull and has set the dealers on a round of inquiries again to get holders' ideas as to prices, so that altogether it has been a very quiet week. It was only yesterday that a little inquiry sprang up and some business was done with second-hand holders in American goods, it is said for Newchwang, where exchange on this is a little lower, Shanghai Tls. 968.00 per 1,000 Newchwang taels. The advice concerning the American Cotton Crop are decidedly astonishing and quite upset calculations, the condition at the end of August being only 63.5, against an average for that month for the last 14 years of 73.48, this year's being absolutely the lowest during that period. When the report was published the Liverpool "spot" price jumped up to over 7d., but yesterday there was a slight reaction to 6.96d, which was the latest quotation we have heard of. 6.79d. was quoted for September and 6.72d. for December/January; Egyptian has advanced to 9.4d. The Export of Plain Cottons from Manchester last month was 39,000,000 yards, a most unexpected and excessive quantity which may, however, with judicious handling come out alright now under the circumstances, as the Market there is quite unapproachable on the present basis of prices nominally ruling here. From New York advices we learn that prices are ten to fifteen per cent. over those that are being accepted here by second-hand holders. The Cotton quotations thence are 12.50 cents for October and 12.62 cents for December. The Yarn market opened quiet and weak after our last was written, but the decline in Exchange, which was not expected, seems to have put more life into it and made buyers more willing to pay the prices asked by Importers, both for Indian and Japanese spinings. Local Mills are sold well forward and carry very light stock, both of Yarn and the raw material. The prospects for the crop have improved immensely during the last week or two, early samples showing excellent staple and a full supply, perhaps a little late, is now expected. In American goods we have heard of the sale privately from first hands of 135 bales. Boy on Elephant 350 yard Sheetings at Tls. 3.75. About 550 bales in all of the following chops of these goods changed hands yesterday amongst the natives:—Piedmont K. Tls. 4.35, Buffalo A. Tls. 4.40, Orr A. Tls. 4.65, Enterprise Tls. 4.67, Piedmont, Leray A. and Abbeville Tls. 4.70, Indian Head Tls. 4.95 and Luck's Head Tls. 5.05. In Drills Enoree F.F. at Tls. 4.50 was the only transaction. At the Auctions staple makes of Grey and white goods have realised fairly steady to firm prices. Turkey Reds show signs of weakness. Fast Black Italians are steady to firm. Venetians about steady and Woollens a little firmer.

HONGKONG PRICES CURRENT.

HONGKONG, 17th September, 1909.

COTTON PIECE GOODS—

Grey Shirtings—8lbs. piece	\$1.95	—
7 lbs.	2.30 to 2.55	—
8.4 lbs.	3.10 to 4.25	—
10 lbs.	4.35 to 5.70	—
White Shirtings—54/56 reed ..	2.90 to 3.75	—
58/60 ..	4.20 to 5.80	—
64/66 ..	6.20 to 7.40	—
Fine.....	7.45 to 9.95	—
Book-folds ..	6.25 to 6.90	—
Victoria Lawns—12 yards ...	0.75 to 2.00	—

COTTON PIECE GOODS—

T-Cloths—6 lbs. (32 in.) Ord'y ..	2.20 to 2.30	—
7 lbs.	2.35 to 2.45	—
6 lbs.	2.80 to 4.05	—
7 lbs.	3.60 to 4.35	—
8 to 8.4 oz., (36 in.) ..	4.65 to 6.05	—
Drills, English—40 yds., 13½ to 14 lbs. }	4.65 to 6.05	—

FANCY MOTIONS—

Turkey Red Chirtings—1½ to 6 lbs. piece	1.82 to 5.10	—
Brocades—Dyed yard	0.11 to 0.15	—
Chinese—Assorted ..	0.08 to 0.35	—
Velvets—Black, 22 in., ..	0.28 to 0.55	—
Velveteens—18 in., ..	0.24 to 0.28	—
Handkerchiefs—Imitation Silk per dozen }	0.50 to 5.00	—

WOOLLENS—

Spanish Stripes—Sundry chops	0.70 to 2.00	—
German, ..	2.00	—
Habit, Medium & Broad Sloths ..	1.25 to 3.00	—
Long Ells—Scarlet, 7-9 lbs. piece	7.80 to 9.40	—
Assorted ..	7.90 to 9.40	—
Camlets—Assorted ..	—	—

WHEATEN FLOUR—

Lastings—30 yds. 31 inches }	14.00 to 21.00	—
Assorted..... }	—	—
Orleans—Plain.....	9.00 to 12.00	—
Blankets—8 to 12 lbs.	0.60 to 1.50	—

RAW COTTON—

Bombay picul	\$28.00 to \$32.00	—
Bengal (New), Rangoon and Dacca.....	28.00 to 32.00	—
Shanghai and Japanese.....	27.00 to 33.00	—
Tungchow and Ningpo ..	29.00 to 33.75	—

METALS—

Iron—Nail Rod..... picul	\$ 4.05	—
square, Flat, Round Bar (Eng.)...	4.00	—
Swedish Bar ..	4.10	—
Small Round Rod ..	4.55	—
Hoop, ½ to 1½ in.....	5.60	—
Wire, 16/25 oz., ..	9.50	—
Old Wire Rope.....	3.00	—
Lead—L. B. & Co. and Hole Chop ..	9.40	—
Australian ..	9.10	—
Yellow Metal—Muntz 14/28 oz. ...	39.50	—
Vivian's, 16/32 oz., ..	39.50	—
Elliot's, 16/28 oz. ...	39.50	—
Tin, ..	90.00	—
Tin-Plates, .. box	7.55	—
Steel .. cwt. case	—	—

MISCELLANEOUS—

Quicksilver, .. picul	169.50	—
Window Glass, .. box	5.40	—
Kerosene Oil, .. case	—	—
Saltpetre, No. 1 picul	\$11.60 to 12.20	—
Do. No. 2 ..	10.90 to 11.20	—
Do. No. 3 ..	9.40 to 10.60	—
Dayton, per bag of 50 lbs.	gross \$2.85	—
Brown Bear ..	2.70	—
Choice ..	2.72	—
White Lily ..	2.72	—
White Fawn ..	2.70	—
Morjon ..	2.71	—
Cow ..	2.71	—

EXPORTS:—

TEA

HANKOW, 9th September—Business reported since the 2d inst. is as under:—

	1909.	1908.
½-chests. ½-chests.		
Settlements	1,723	354

Consisting of the following Teas:—

	½-chests.	at Tls. per picul.
Ningchows	170	27.00
Kh. muns	128	25.00
Oonams	161	12.35
Oonfaas	1,269	10.75

The following are Statistics at date compared with the corresponding circular of last season, viz., 10th September, 1908:—

	1909	1908
HANKOW TEA ½-chests ½-chests		
Settlements	421,879	535,557
Shipments to Shanghai on Native account ...	13,527	50,000
Stock	26,118	53,807
Arrivals	461,524	639,364
KIUKIANG TEA. ½-chests ½-chests		
Settlements	186,522	180,853
Shipments to Shanghai on Native account ...	294	15,335
Stock	19,684	5,024
Arrivals	208,500	201,212

Comparative Quotations are as under:—

	1909	1908	per picul
Ningchows Tls.	13.25 at 100.00	Tls. 15.50 at 100.00	
Khemuns ..	23.00 .. 82.00	21.00 .. 67.00	
Hohows ..	— .. —	19.00 .. 24.50	
Kutpans ..	22.00 .. 26.00	22.50 .. 27.00	
Wen-chows ..	— .. —	19.50 .. 21.00	
Oopacks ..	9.50 .. 25.00	10.25 .. 26.00	
Oonams ..	7.50 .. 25.00	9.25 .. 28.00	
Oonfaas ..	9.30 .. 35.00	12.00 .. 36.00	
Seang-tams ..	8.00 .. 12.00	8.75 .. 18.50	
Ichangs ..	22.75 .. 61.50	22.00 .. 65.00	

MISCELLANEOUS EXPORT.

Per Messageries Maritimes s.s. *Australien*, sailed on 14th September, 1909. Lyons—230 bales raw silk, Marseilles—65 bales raw silk. St. Etienne—10 bales raw silk. Marseilles—100 bales waste silk, 15 cases feathers, 12 packages human hair, 15 cases hats, 3 cases embroideries, 2 cases cigarettes, 15 cases ylang ylang. Havre—20 cases papers, 5 cases bristles, 5 cases divers. Barcelona—4 cases mats. Tamatave—21 provisions.

HONGKONG SHARE QUOTATIONS.

HONGKONG, 17th September, 1909.—We have no improvement to report in the market, which continues dull and inactive, and the little business transacted during the week is quite unimportant. Exchange on London T/T 1/8½, on Shanghai 74½.

BANKS.—The market has ruled very quiet with only a small business in Hongkong and Shanghai at somewhat erratic rates, sales having been reported at from 990 to 1,000; the market closes quiet with no buyers over 990 and with no sellers under 995. Nationals remain unchanged and without business.

MARINE INSURANCES.—Unions have been again placed at 840 and at time of closing sales are reported at 842½. Cantons have further declined to 180, and North Chinas to 115 in the North.

FIRE INSURANCES.—Hongkong Fires are in request at the enhanced rate of \$355, and small sales have taken place during the week at that rate. Chinas continue neglected but steady at 115.

SHIPPING.—Hongkong, Canton and Macao with shares on offer the whole week at 31½ close weaker with sellers at 31½ and with no sales to report. Indos continue out of favour with local sellers at 60 (combined) and at Tls. 44 in Shanghai. Shells have declined in London to 68/9, but are fairly steady locally at 70/. We have nothing else to report under this heading.

REFINERIES.—China Sugars have ruled rather weaker, and with the exception of small sales for the end of the month at 147½ we have heard of no business. At time of closing shares are obtainable at 47½ for cash. Luzons have been a weak market and the rate has fallen to 23 without business.

MINING.—Rauhs have improved to 8.75, after sales at 8½, 8.35 and 8½. Chinese Engineerings have changed hands at 18½. Lungkats have declined considerably, and after sales down to 950, cum dividend of Tls. 12½ paid on the 15th instant, close at Tls. 935 ex dividend.

DOCKS, WHARVES AND GODOWNS.—Hongkong and Whampoa Docks have shown further weakness and a fair business has been transacted at the reduced rate of 60½ and 60, the market closing rather firmer at 60. Kowloon Wharfs have changed hands at 61 and 60, closing quiet at the latter rate. Shanghai Docks have weakened during the week to 77. Hongkows after ruling steady at 148 have improved to 152 in the North.

LANDS, HOTELS AND BUILDINGS.—Hongkong Lands remain unchanged and without business. West Points have found small buyers at 44. Hotels remain quiet at 72½ and 43½ for old and new respectively, ex dividend of \$2.40 and 40c paid on the 13th inst. Humphreys remain on offer at 9½.

COTTON MILLS.—Ewos have declined in the North to 136. Internationals are quoted 93 by the latest Shanghai circulars, Loan Kung Mows at 113½, and Soychees at 460, the last by telegram.

RUBBERS.—The market has not been very active, but rates are fully maintained. The

following sales have taken place. Valambroses at 22/6, Anglo-Malays at 14/9, Castlefields at £2 16 6, Linggis at 23/ ex interim div of 40 per cent., Balgownies at 56 (88), and Darman-salas at £1 17 6.

MR. OLLNEUS—China Provident's have changed hands at 9.50, Dairys at 18, C m nts at 8.70, Rop-s at 23, and China Light a 5½. We have nothing further to report under this heading.

Quotations are as follows:—

Stocks	PAID UP.	QUOTATIONS
Banks—		
Hongkong & S'hai...	\$125	\$890, buyers
National B. of China	26	\$85, buyers
Bell's Asbestos E. A....	12/6d.	\$10, buyers
China-Borneo Co.....	\$12	\$13, buyers
China Light & P. Co....	\$10	\$6½, sellers
China Provident	\$10	\$9½, sales
Cotton Mills—		
Ewo Cotton S. & W.	Tls. 50	Tls. 136
Hongkong C. S. Co.	\$10	\$6½, buyers
International	Tls. 75	Tls. 92
Laou Kung Mow ...	Tls. 100	Tls. 113
Soychee	Tls. 500	Tls. 460
Dairy Farm Co.....	\$6	\$18, sales & buy.
Docks & Wharves—		
H. & K. Wharf & G.	\$50	\$60, buyers
H. & W. Dock	\$50	\$60, buyers
New Amoy Dock ...	\$5½	\$9, sellers
Shanghai Dock and Eng. Co., Ltd	Tls. 100	Tls. 77
S'hai & H. Wharf...	Tls. 100	Tls. 152
Fenwick & Co., Geo...	\$25	\$11, sellers
G. Island Cement Co	\$10	\$8.60, sellers
Hongkong & C. Gas...	\$10	210, buyers
Hongkong Electric...	\$10	\$20½, sellers
Hongkong Hotel Co. }	\$50	\$72½, x.d.
Hongkong Ice Co.....	\$25	\$43½, x.d.
H'kong Rope M. Co....	\$10	\$188, sellers
Insurance—		
Canton	\$50	\$180, sales
China Fire	\$20	\$15
China Traders	\$25	\$92, buyers
Hongkong Fire.....	\$50	\$355, sales & buy.
North China	25	Tls. 115
Union	\$100	842½
Yangtze	\$60	\$227½, buyers
Land and Buildings—		
H'kong Land Invest.	\$100	\$105, sellers
Humphrey's Estate	\$10	9½, sellers
Kowloon Land & B.	\$30	\$30, sellers
Shanghai Land.....	Tls. 50	Tls. 120, sales
WestPoint Building	\$50	\$44, sellers
Mining—		
S. F. des C. du T'kin	Fr. 250	\$625, buyers
Raub	18/10d.	\$8½, sellers
Peak Tramways Co., Ltd	\$10	\$14, sellers
Philippine Co., Ltd....	\$1	\$1.40, sellers
Refineries—		
China Sugar	\$100	\$147½, sellers
Luzon Sugar	\$100	\$23, sellers
Robinson Piano Co. ...	\$50	\$50, sellers
Steamship Companies		
China and Manila...	\$25	\$8½
Douglas Steamship	\$50	\$36, sellers
H., Canton & M. ...	\$15	\$31½, sellers
Indo-China S. N. Co.	25	\$41, sellers
Shell Transport Co.	21	70/-, sellers
Star Ferry.....	\$10	\$26
South China M. Post...	\$5	\$15, sellers
Steam Laundry Co....	\$25	\$24, sellers
Stores & Dispensaries—		
Campbell, M & Co...	\$10	\$5½
Wm. Powell, Ltd. ...	\$7	\$4, sellers
Watkins, Ltd.	\$10	5, sellers
Watson & Co., A. S.	\$10	\$8, sellers
Weissmann, Ltd.....	\$100	\$150, buyers
United Asbestos	\$4	\$12½, buyers
Union Waterboat Co....	\$10	\$300
Rubbers—		
Castlefields, fully p.	—	22.16.6, sales
Linggis	—	23/6-
Anglo-Malays	—	14/9, sales
Shelfor's	—	30/-
Balgownies	—	56 (Straits) s. & b

VERNON & SMYTH, Brokers.

SHANGHAI SHARE QUOTATIONS.

10th September, 1909.

COMPANY.	PAID UP.	QUOTATION
Banks—		
Hongkong & S'hai...	\$125	\$1,020, sales
National of China...	26	\$5½, sales
Russo-Chinese ...	R187½	Tls. 125
Insurance—		
Union Society C't'n	\$100	\$835, sales&buy.
North-China	25	Tls. 117½, sellers
Yangtze Assocn. ...	\$60	\$232, sales&buy
Canton	\$50	\$195, sellers
Hongkong Fire.....	\$50	\$347½, buyers
China Fire.....	\$20	\$115, sellers
Shipping—		
Indo-China { pref. }	25	Tls. 48, sellers
Shell Trans. { ord. }	21	71/3
& Trading { pref. }	210	\$9.10.0
S'hai Tug & pref. }	250	Tls. 43½
Lighter ... { ord. }	250	Tls. 52, buyers
Taku Tug & Lighter	250	Tls. 45
Kochien Transportation & To Boat	250	Tls. 50, sales
Docks & Wharves—		
S'hai Dock & Eng...	T100	Tls. 79, buyers
H. & W. Dock	\$50	\$62, buyers
S. & H'kew Wharf...	T100	Tls. 148, sales
H. K'loon W. & G...	\$50	\$60, buyers
Yangtze	T100	Tls. 205, sales
Sugar Companies—		
Perak Cultivation...	T50	Tls. 295, buyers
China Refining.....	\$100	\$145, buyers
Mining—		
Raub Australian ...	21	Tls. \$8, buyers
Chinese Eng. & Min.	21	Tls. 18½, sellers
Lands—		
S'hai Investment ..	T50	Tls. 119½, buyers
H'kong Investment	\$100	\$105, buyers
Humphreys' Estate	T10	\$9½, sellers
Weiheiwei	T20	Tls. 9
China	T50	Tls. 50
Anglo-French	T100	Tls. 105, sales
Cotton—		
Ewo	T50	Tls. 139
Internationals	T75	Tls. 90, sellers
Laou Kung Mow ...	T100	Tls. 113½, sellers
Soy Chees	T500	Tls. 445, buyers
H.C.S.W.D.Co., Ltd.	\$10	Tls. 7½, sellers
Industrial—		
Shanghai Gas	T50	Tls. 112, sellers
Major Brothers.....	T50	Tls. 52½
Shanghai Ice.....	T25	Tls. 15
China Flour Mill...	T50	Tls. 40, sales
S'hai Pulp & Paper	T100	Tls. 35, buyers
Green Is. Cement....	\$10	\$8½, buyers
Shanghai Cotton...	T50	Tls. 78, sales
Maatschappij, &c., in Langkat.....	Gs. 100	Tls. 1,025, sales
Shanghai - Sumatra Tobacco	T20	Tls. 132½, sales
Dominion Rubbers...	T6	Tls. 14½, sellers
S'hai Waterworks...	220	Tls. 425
Anglo-Ger. Brewery	\$100	\$75
A. Butler Cement, Tile Works	T50	Tls. 20
Kalumpong Rubber	T50	Tls. 185, buyers
S. Rber Estates ...	T100	Tls. 280, sale.
T. R. & T. Estate Co.	21	Tls. 17, sellers
Eastern Fibre	210	Tls. 10
Shanghai Electric Construction.....	210	\$7.10.0, sellers
Miscellaneous—		
Hall & Holtz.....	\$20	\$23, sellers
A. Llewellyn.....	\$60	\$65
A. S. Watson & Co.	\$10	\$8½, buyers
Central Orinary ...	\$15	\$17, buyers
Central Founders...	\$15	\$400, buyers
S. Moutrie & Co....	\$50	\$42½
Weeks & Co.	\$20	\$27, sales
Astor House Hotel	\$25	\$17½, buyers
Hongkong Hotel Co.	\$50	\$75
Hotel des colonies	T12.50	Tls. 5½
Tsingtao Hotel	\$100	Tls. 75
Lane, Crawford & Co.	\$100	\$165
Dunning & Co.	\$50	\$35
S'hai Horse Bazar...	T60	Tls. 55
S'hai Mercury	T50	Tls. 50
S'hai Mutual Tele.	T50	Tls. 66
China Im. & Ex. Lumber ...	T100	Tls. 75
Shanghai Electric & Asbestos	\$25	\$21
Dallas Horse Repository	T50	Tls. 15
China Printing Co.	T50	Tls. 50

J. P. BISSET & Co.

Messrs. J. P. Bisset & Co. in their Share Report for the week ending Sept. 10th state:— The market shows a greatly increased activity owing to the approaching September Settlement, which is settled for the 24th. The chief feature has been business in Wharves, Langkats and Cottons. The T.T. rate on London to-day is 2/3½. Banks.—No business reported. There are buyers at \$1,015. Insurance.—No business reported. Sales of Yangtze Ins. at \$232. Shipping.—Nothing reported under this heading. Sellers of Indos at \$45. Shanghai Tuys, Nom. at Tls. 43½ and Buyers at Tls. 52 for the Ord. and Pref. shares respectively. Sugars.—Peraks. Transactions are reported under this heading at Tls. 285 cash, Tls. 295 September, and Tls. 300 October, closing with buyers at Tls. 295 for September. Mining.—No business. Docks and Wharves.—Shanghai Dock & Eng. Co. Business was done at Tls. 80 September on the 3rd, 4th and 8th. Shanghai & Hongkew Wharves at Tls. 150 for September on the 3rd, 4th and 7th. Tls. 149, 148 and 148½ on the 8th for September and Tls. 145 for December. On the 9th at Tls. 148 September. Loans.—Shanghai Lands. The only business reported was on the 8th at Tls. 119 cash. Closing with buyers at Tls. 119½. Industrial.—Cotton Stocks. Soy Chees. Business has been done at Tls. 4½ cash and later at Tls. 440 for September. Closing with strong buyers for cash at Tls. 445 and December at Tls. 465. Ewos. Transactions took place at Tls. 136, Tls. 135 and Tls. 138 September. Tls. 140, Tls. 138, Tls. 139 and Tls. 143 for December. Closing with buyers at Tls. 138 cash and Tls. 142½ December. Laou Kung Mow. Business was done on the 4th at Tls. 111 September. On the 6th at Tls. 109½ September and today at Tls. 116 December. China Flurs. A transaction took place on the 7th and 10th at Tls. 40. In Rubb r Stocks—Tebongs were sold on the 3rd and 7th at Tls. 17. Senawang changed hands at Tls. 280, September. Maatschappij, etc., in Langkats. Business was reported on the 6th at Tls. 1,060 September. On the 7th at Tls. 1,022½, 1,015 September and Tls. 1,045 December. On the 8th at Tls. 1,045 December and on the 9th at Tls. 1,035 September. On the 10th at Tls. 1,025, Tls. 1,027½ and Tls. 1,020 September and Tls. 1,045, Tls. 1,040 for December. Closing with sellers at Tls. 1,020 September. Shanghai Sumatras. Changed hands on the 3rd at Tls. 151-147½ for September. On the 6th at Tls. 142½ cash, on the 7th at Tls. 140-135 September and on the 8th at Tls. 132½ cash, 130, 132½ September, 9th at Tls. 130 September and on the 10th at Tls. 132½ September. Miscellaneous.—Weeks & Co. shares were sold on the 3rd and 8th at \$27. Central Stores Sales took place on the 6th at \$17. Hill & Holtz at \$23 and Telephones at Tls. 66. Debentures.—Shanghai Municipal 6 per cent. Debs. changed hands at Tls. 105½.

EXCHANGE.

HONGKONG, September 17th.

ON LONDON.—	
Telegraphic Transfer	1/8½
Bank Bills, on demand	1/8½
Bank Bills, at 30 days' sight	1/9
Bank Bills at 4 months' sight	1/9½
Credits, at 4 months' sight	1/9½
Documentary Bills, 4 months' sight	1/9½
ON PARIS.—	
Bank Bills, on demand	219
Credits 4 months' sight	223
ON GERMANY.—	
On demand	178
ON NEW YORK.—	
Bank Bills, on demand	42½
Credits, 60 days' sight	43½
ON BOMBAY.—	
Telegraphic Transfer	131½
Bank, on demand	131½
ON CALCUTTA.—	
Telegraphic Transfer	131½
Bank on demand	131½
ON SHANGHAI.—	
Bank, at sight.....	74½
Private, 30 days' sight	75½
ON YOKOHAMA.—	
On demand	84½
ON MANILA.—	
On demand	85½
ON SINGAPORE.—	
On demand	74½
ON BATAVIA.—	
On demand	104½
ON HATCHENG.—	
On demand... ..	8½ p.m.
ON SAIGON.—	
On demand	8½ p.m.
ON BANGOK.—	
On demand	88½
FOREIGN, Bank's Buying Rate	\$11.45
GOLD LEAF 100 fine, per tael	\$59.70
SILVER per oz.	23½

TONNAGE.

HONGKONG, 17th September.—Business continues dull, with only a limited inquiry for tonnage. From Saigon to Hongkong, 8 cents nominal; to Philippines, 2 fixtures, at 20 cents for 33,000 piculs and 24 cents for 25,000 piculs; Singapore and Japan, nothing doing. From Hong Kong to Iloilo, a handy sized carrier has secured a lump sum charter of \$5,500 for cattle. From Newchwang to Canton, 24 cents 1st. Coal freights are steady. From South Japan to Hongkong only small carriers are wanted, there being large stocks of coal locally, from Wakamatsu, \$1.90 last and offering; from Karatsu, \$1.90; from Moji, \$1.75. From Wakamatsu to Canton, \$2.45 last and from Neuclatun to Hongkong \$2.30. From Labuan to Manila, \$2.25; Swatow, \$2.25; Guebill, \$1.35 (Singapore Currency). From Haiphong to Canton, \$1.70 last. From Hongay to Canton \$1.60. Pulo Lut to Hongkong \$2.40 offering. It is reported that the export of rice from Haiphong has been prohibited by the French Authorities.

SHIPPING.

ARRIVALS AND DEPARTURES SINCE LAST MAIL.

September:—ARRIVALS.

- 10, Dagny, Norwegian str., from Swatow.
- 10, Haimun, British str., from Swatow.
- 10, Hongmoh, British str., from Singapore.
- 10, Liangchow, British str., from Tangku.
- 10, Merapi, Dutch str., from Java.
- 10, Tean, British str., from Manila.
- 11, Bushu Maru, Jap. str., from Moji.
- 11, Cheongshing, British str., from Tientsin.
- 11, Chowtai, German str., from Bangkok.
- 11, J. Diederichsen, Ger. str., from Hoihow.
- 11, Jutropolis, British str., from New York.
- 11, Kjeld Nor str., from Newchwang.
- 11, Mandasan Maru, Jap. str., from Miike.
- 11, Monteagle, Br. str., from Vancouver.
- 11, Nicomedia, German str., from Hamburg.
- 11, Tjimahi, Dutch str., from Java.
- 12, Chinhua British str., from Shanghai.
- 12, Empire, Br. str., from Kobe.
- 12, Haiching, British str., from Coast Ports.
- 12, Halvard, Norwegian str., from Hoihow.
- 12, Kowloon, German str., from Samarang.
- 12, Namsang, British str., from Calcutta.
- 12, Phu Yen, French str., from Iloilo.
- 12, Stentor, British str., from Liverpool.
- 12, Taishun, Chinese str., from Shanghai.
- 12, Telemachus, British str., from Saigon.
- 13, Australien, Fr. str., from Shanghai.
- 13, Chowfa, German str., from Bangkok.
- 13, Germania, German str., from Hongay.
- 13, Inaba Maru, Jap. str., from Yokohama.
- 13, Loongsang, British str., from Manila.
- 13, Marie, German str., from Java.
- 13, Nippon M., Jap. str., from San Francisco.
- 13, Oceanien, French str., from Marseilles.
- 13, Prometheus, British str., from Swatow.
- 13, Soshu Maru, Jap. str., from Swatow.
- 13, Tingsang, British str., from Dalny.
- 13, Tjikini, Dutch str., from Batavia.
- 13, Zafiro, British str., from Manila.
- 14, Changchow, Brit. str., from Wakamatsu.
- 14, Haimun, British str., from Swatow.
- 14, Kiang Ping, Chi. str., from Chinkiang.
- 14, Liberia, German str., from Singapore.
- 14, Wingsang, British str., from Wakamatsu.
- 14, Yeboshi Maru, Jap. str., from Kobe.
- 15, Austria, Austrian str., from Trieste.
- 15, Bendoran, British str., from Singapore.
- 15, Ceylon Maru, Jap. str., from Bombay.
- 15, Chenan, British str., from Shanghai.
- 15, Chiyuen, Chinese str., from Shanghai.
- 15, Daijin Maru, Jap. str., from Swatow.
- 15, Delta, British str., from London.
- 15, Glenogle, British str., from Rangoon.
- 15, Haitan, British str., from Swatow.
- 15, Helene, German str., from Tourane.
- 15, Iyo Maru, Jap. str., from London.
- 15, Sexta, Ger. str., from Passuran.
- 15, Victoria, Swedish str., from Haiphong.
- 16, Chunsang, British str., from Hongay.
- 16, Empress of India, Br. str., from Vancouver.
- 16, Indrapura, British str., from Keelung.
- 16, Kwongsang, British str., from Shanghai.
- 16, Tango Maru, Jap. str., from Shanghai.
- 16, Yaroslav, Russian str., from Odessa.

September:—DEPARTURES.

- 10, Dortmund, Ger. str., for Singapore.
- 10, Haiyang, British str., for Swatow.
- 10, Lennex, British str., for New York.
- 10, Prinz Waldemar, Ger. str., for Australia.

- 11, A. Apear, British str., for Singapore.
- 11, Asia, Russian str., for Hongay.
- 11, Hongkong, French str., for Q. Chow Wan.
- 11, Korea, Am. str., for San Francisco, &c.
- 11, Kwanglee, Chinese str., for Shanghai.
- 11, Yetorofu Maru, Jap. str., for Swatow.
- 11, Yuensang, British str., for Manila.
- 11, Zafiro, British str., for Manila.
- 12, Choysang, British str., for Ningpo.
- 12, Clara Jeben, German str., for Penang.
- 12, Daigi Maru, Jap. str., for Swatow.
- 12, Fausang, British str., for Saigon.
- 12, Haimun, British str., for Swatow.
- 12, Linan, British str., for Shanghai.
- 12, Signal, German str., for Hoihow.
- 13, Anamba, British str., for Tientsin.
- 13, Dagny, Norwegian str., for Haiphong.
- 13, Hongmoh, British str., for Amoy.
- 13, Mandasan Maru, Jap. str., for Miike.
- 13, Montrose, British str., for New York.
- 13, Oceanien, French str., for Shanghai.
- 13, Taiwan, British str., for Saigon.
- 14, Australien, French str., for Europe, &c.
- 14, Capri, Italian str., for Singapore.
- 14, Haiching, British str., for Swatow.
- 14, Knivsberg, German str., for Pakhoi.
- 14, Nicomedia, German str., for Shanghai.
- 14, Quarta, Dutch str., for Batavia.
- 14, Shinapo Maru, Jap. str., for Keelung.
- 14, Stentor, British str., for Shanghai.
- 14, Tean, British str., for Manila.
- 14, Tjikini, Dutch str., for Yokohama.
- 15, nghin, German str., for Singapore.
- 15, Bushu Maru, Jap. str., for Wakamatsu.
- 15, Empire, British str., for Sydney.
- 15, Haimun, British str., for Swatow.
- 15, Hanoi, French str., for Q. Chow Wan.
- 15, Inaba Maru, Jap. str., for Singapore.
- 15, J. Diederichsen, Ger. str., for Hoihow.
- 15, Juteopolis, British str., for Whampao.
- 15, Kwangtah, Chinese str., for Shanghai.
- 15, Soshu Maru, Japanese str., for Swatow.
- 15, Tencer, British str., for Manila.
- 15, Tjimahi, Dutch str., for Shanghai.
- 16, Borneo, German str., for Sandakan.
- 16, Bendoran, British str., for Nagasaki.
- 16, Chinhua, British str., for Shanghai.
- 16, Delta, British str., for Shanghai.
- 16, Devawongse, German str., for Bangkok.
- 16, Halvard, Norwegian str., for Bangkok.
- 16, Hinsang, British str., for Saigon.
- 16, Kjeld, Norwegian str., for Chefoo.
- 16, Laertes, British str., for Saigon.
- 16, Liberia, German str., for Shanghai.
- 16, Namsang, British str., for Shanghai.

PASSENGERS.

ARRIVED.

- Per Haimun, from Swatow, Mr P. A. von de Stadt.
- Per Tjimahi, from Java Ports, Mr Wusberger.
- Per Jacob Diederichsen, from Hoihow, Mr Bettens.
- Per Telemachus, from Saigon, Captain Ducrossez.
- Per Haitan, from Swatow, Mr and Mrs A. B. Craggs and Miss Drew.
- Per Chenan, from Shaanghai, Miss Holle, Messrs Demastey, Borner and J. Markham.
- Per Iyo Maru, from London, &c., Lieut. and Mrs H. R. Moose, Miss E. C. Graham and Mr J. P. Patrick.
- Per Glenogle, from Rangoon, &c., Major and Mrs Delabere, Miss Mobbey Mirre and child, and Mr Bruce.
- Per Namsang, from Calcutta, &c., Mrs C. Clark, Major MacCarthy, Capt. F. G. Turner, R. E., and David Lawa.
- Per Chinhua, from Shanghai, Mesdames Hay, Thunder and Grieve, Messrs Grieve, Brunell, Rasmussen and Burmann.
- Per Australien, for Hongkong, from Kobe, Rev. Pere Gabardi; from Shanghai, Mr and Mrs Schwartz, Mrs Lee, Messrs Rabin, Jarry, Pilcain and Batchin.
- Per Monteagle, for Hongkong, from Vancouver, Rev. and Mrs W. H. Tipton and 3 children, Misses K. Foster, E. Paulsen and M. Blake, Messrs J. A. Hodger and W. B. Hayes; from Yokohama, Master and Mrs E. F. Williams; from Kobe, Mr P. Jacks; from Nagasaki, Mrs U. Kita and Mr C. G. Waile; from Shanghai, Mrs E. Lee, Mrs G. Buchanan, Mrs M. G. Fremantle, Misses Reck, A. Reich, L. Reich, M. W. Storrs and W. C. Campbell, Messrs A. Babington, E. Funk, H. Philipsen, E. H. Hooper, A. S. Ginger and Frank Gordon.

Per Rubi, from Manila, Mr and Mrs C. H. Patterson, Mr and Mrs F. C. Fisher and three children, Capt. and Mrs Ibersole, U.S.A., Misses McLeod and Acosta, Major I. Inouye, Messrs G. Long, L. B. Anderson, Boyle, M. Goodman, C. Ragan, U.S.A., and R. Plonzo.

Per Oceanien, for Hongkong, from Marseilles, Mrs Lepape, Mrs Vagmaster, Messrs Gregorio Fernandy and V. A. Fernandy; from Singapore, Messrs Meraki, Norton Miller and W. A. Sundheimer; from Saigon, Messrs J. D. Vretos, Nivelas, R. P. Johanna and R. P. Johanna (2).

Per Inaba Maru, from Japan, &c., Mrs Merry, Mrs D. Wingerten, Mrs Hatgert, Mrs H. W. Walker, Misses Ochne, E. E. Rea and T. Nakasawa, Lieut. F. L. Roberts, Major H. Synott, Messrs A. R. Suchurland, R. A. Bird, Wm. Warner, R. Suda, T. Nakamura, H. L. Manderson and A. L. Eairn.

Per Nippon Maru, from San Francisco, &c., Mr and Mrs W. L. Peuse, Mr and Mrs F. Wolff, Master and Mrs H. Kipp, Mrs A. F. Allen, Mrs M. Polland, Misses B. Clark, E. Donodoe, L. Faint and L. Stanley, Master J. Allen, Master Allen, Messrs H. C. Anderson, B. Charles, H. C. Cutler, J. Henrich, H. E. Henneman, G. L. Perez, P. C. Trimbler, S. Pollock, Vellguth, C. S. Lee and C. E. Garner.

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